

PUBLIC DISCLOSURE

July 19, 2022

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

First-Citizens Bank & Trust Company
Certificate Number: 11063

239 Fayetteville Street
Raleigh, North Carolina 27601

Federal Deposit Insurance Corporation
Division of Depositor and Consumer Protection
Atlanta Regional Office

10 10th Street NE, Suite 800
Atlanta, Georgia 30309-3849

This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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INSTITUTION RATING

INSTITUTION’S CRA RATING: This institution is rated **Satisfactory**.

An institution in this group has a satisfactory record of helping to meet the credit needs of its assessment area, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

PERFORMANCE LEVELS	PERFORMANCE TESTS		
	Lending Test*	Investment Test	Service Test
Outstanding			
High Satisfactory	X	X	X
Low Satisfactory			
Needs to Improve			
Substantial Noncompliance			
* The Lending Test is weighted more heavily than the Investment and Service Tests when arriving at an overall rating.			

The Lending Test is rated High Satisfactory.

- Lending levels reflect good responsiveness to the assessment areas’ credit needs.
- A substantial majority of loans are made in the institution’s assessment areas.
- The geographic distribution of loans reflects good penetration throughout the assessment areas.
- The distribution of loans reflects good penetration among borrowers of different incomes and businesses and farms of different sizes.
- The institution originated a relatively high level of community development loans.
- The institution uses innovative and/or flexible lending practices in order to serve assessment areas’ credit needs.

The Investment Test is rated High Satisfactory.

- The bank has a significant level of qualified investments and donations.
- The bank exhibits good responsiveness to credit and community economic development needs through its investments and contributions.
- The institution occasionally uses innovative and/or complex investments to support community development initiatives.

The Service Test is rated High Satisfactory.

- Delivery systems are accessible to essentially all portions of the institution's assessment areas.
- To the extent changes have been made, the institution's opening and closing of branches has not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and/or to low- and moderate-income individuals.
- Services and business hours do not vary in a way that inconveniences certain portions of the assessment areas, particularly low- and moderate-income geographies and/or individuals.
- The institution provides a relatively high level of community development services.

DESCRIPTION OF INSTITUTION

First-Citizens Bank & Trust Company (First-Citizens Bank) is a state-chartered non-member financial institution that began its operations in 1898 in Smithfield, North Carolina. First-Citizens Bank is a subsidiary of First-Citizens Bancshares, Inc. (FCBI), a one-bank holding company.

Since the March 26, 2019, FDIC CRA evaluation through December 31, 2021, First-Citizens Bank completed four open market acquisitions totaling approximately \$3.0 billion: Biscayne Bank for \$1.0 billion (April 2019); First South Bank for \$237 million (May 2019); Entegra Bank for \$1.6 billion (December 2019); and, Gwinnett Community Bank for \$223 million (February 2020).

On January 4, 2022, FCBI and First-Citizens Bank and CIT Group, Inc. and its subsidiary bank, CIT Bank NA (CIT Bank) completed a merger of equals, with First-Citizens Bank as the surviving institution. The combined company is now a top 20 U.S. financial institution based on total assets. The combined entity resulted in approximately \$111 billion in assets, \$64 billion in loans, and \$91 billion in deposits operating over 600 branches in 22 states, of which 80 branches resulted from the merger. Twenty-three of the acquired CIT Bank branches have closed as of the current evaluation date. Of the 23 closed branches, 1 branch was in a low-income census tract (tract), 3 were in moderate-income tracts, 5 were in middle-income tracts, and 14 were in upper-income tracts.

The mergers have expanded or added new assessment areas since the last evaluation, as noted in the Description of Assessment Areas. For this evaluation, examiners excluded the expanded or new assessment areas resulting from the merger with CIT Bank given the merger occurred only 6 months prior to the current evaluation.

Prior to the merger with Legacy CIT Bank, First-Citizens Bank operated 10 subsidiaries that included a registered broker dealer, a title insurance company, a registered investment advisor, an insurance agency, and other non-bank financial entities. Following the merger, the number of First-Citizens Bank's subsidiaries increased to 56, of which 20 were either dormant or were in the process of being liquidated. Of the active subsidiaries, First-Citizens Bank's registered broker dealer (First-Citizens Investor Services) is the only entity that offers consumer-facing services or products.

Historically, First-Citizens Bank operated as a traditional commercial bank offering a wide range of deposit and loan products to both consumer and commercial customers. With the CIT merger, First-Citizens acquired new commercial lending products including leveraged lending, energy sector lending, healthcare industry financing, and specialized commercial lending in areas such as railcar leasing; maritime; equipment financing; commercial real-estate; lender finance; and, asset based lending. Although the bank's business strategy is not limited to any one business endeavor, banking relationships through commercial and residential lending represent the primary business strategy.

Operations

As of March 31, 2022, First-Citizens Bank operated 582 branch offices, including 57 prior CIT branches that remained open post-merger. In addition, First-Citizens Bank operates 660 Automated Teller Machines (596 from First-Citizens Bank and 64 acquired from CIT Bank). Refer to

Description of the Assessment Area table for a summary of First-Citizens Bank’s branches in each assessment area. As previously noted, the scope of the current evaluation excludes the acquired CIT Bank operations, including the branches, due to the timing of the merger, thus the acquired former CIT Bank branches are not included in the table.

As of the December 31, 2021, Consolidated Reports of Condition and Income, First-Citizens Bank had total assets of \$58.2 billion, total deposits of \$51.5 billion, and total loans of \$32.5 billion. The following table reflects the loan portfolio product distribution as of December 31, 2021.

Loan Portfolio Distribution as of 12/31/2021		
Loan Category	\$(000s)	%
Construction, Land Development, and Other Land Loans	1,517,899	4.7
Secured by Farmland	245,568	0.8
Secured by 1-4 Family Residential Properties	7,725,394	23.8
Secured by Multi-family (5 or more) Residential Properties	293,403	0.9
Secured by Nonfarm Nonresidential Properties	14,600,876	44.9
Total Real Estate Loans	24,383,140	75.1
Commercial and Industrial Loans	4,960,965	15.3
Agricultural Production and Other Loans to Farmers	206,541	0.6
Consumer Loans	1,882,746	5.8
Obligations of States and Political Subdivisions in the U.S.	350,465	1.0
Lease Financing Receivables (net of unearned income)	270,735	0.8
Other Loans	459,019	1.4
Total Loans	32,513,611	100.0
<i>Source: Reports of Income and Condition</i>		

As reflected in the above table, the bank’s major loan product and lending focus is commercial and residential loans. The Call Report data shows that commercial purpose loans comprise 60.2 percent of the portfolio, and one-to-four residential loans comprise 23.8 percent. Lending categories have remained consistent over the loan review period from 2019 through 2021. Refer to the Scope of Evaluation for details on the review period for each activity reviewed.

Examiners did not identify any financial, legal, or other impediments that effect the bank’s ability to meet the credit needs of the assessment areas.

DESCRIPTION OF ASSESSMENT AREAS

First-Citizens Bank operated in 80 assessment areas in 16 states and 5 multi-state Metropolitan Statistical Areas (MSAs) during the evaluation period. Examiners rated the bank’s performance in each state and multi-state MSA separately and combined the counties that are not part of an MSA to form state-wide non-metropolitan assessment areas for this CRA evaluation. As noted in the table below, the configuration of the assessment areas changed since the last evaluation due to merger and/or acquisition activities as well as revisions to MSA boundaries by the Office of Management and Budget (OMB). The following table provides a description of the assessment areas and applicable changes since the prior evaluation. All areas noted contain all the census tracts in each county.

Description of Assessment Areas (As of December 31, 2021)				
Assessment Area	Counties in Assessment Area	CTs #	Branches #	Changes Since Last Evaluation
Arizona				
Phoenix-Mesa-Chandler, AZ MSA (Phoenix MSA)	Maricopa County	916	2	
Tucson, AZ MSA (Tucson MSA)	Pima County	241	1	
California				
Anaheim-Santa Ana-Irvine, CA Metropolitan Division (MD) (Anaheim MD)	Orange County	583	3	
Los Angeles-Long Beach-Glendale, CA MD	Los Angeles County	2,346	4	
Oakland-Berkeley-Livermore, CA MD (Oakland MD)	Contra Costa County	208	1	
Riverside-San Bernardino-Ontario, CA MSA (Riverside MSA)	Riverside County	453	3	
Sacramento-Roseville-Folsom, CA MSA (Sacramento MSA)	Placer and Sacramento Counties	402	3	
San Diego-Chula Vista-Carlsbad, CA MSA	San Diego County	628	7	
Colorado				
Boulder, CO MSA (Boulder MSA)	Boulder County	68	1	
Denver-Aurora-Lakeland, CO MSA (Denver MSA)	Adams, Arapahoe, Denver, and Douglas Counties	449	4	
Florida				
Cape Coral-Fort Myers, FL MSA (Cape Coral MSA)	Lee County	167	2	
Fort Lauderdale-Pompano Beach-Sunrise, FL MD (Fort Lauderdale MD)	Broward County	362	2	
Jacksonville FL, MSA (Jacksonville MSA)	Duval and St. Johns Counties	215	4	
Miami-Miami Beach-Kendall, FL MD (Miami MD)	Miami-Dade County	519	4	
Naples-Marco Island, FL MSA (Naples MSA)	Collier County	74	2	
North Port-Sarasota-Bradenton, FL MSA (North Port MSA)	Manatee and Sarasota Counties	174	1	
Orlando-Kissimmee-Sanford, FL MSA (Orlando MSA)	Orange and Seminole Counties	293	2	
Port St Lucie, FL MSA (Port St. Lucie MSA)	Martin County	36	1	
Tampa-St. Petersburg-Clearwater, FL MSA	Hillsborough and Pinellas Counties	567	7	
West Palm Beach-Boca Raton-Boynton Beach, FL MD (West Palm Beach MD)	Palm Beach County	338	2	
Georgia				
Athens-Clarke County, GA MSA (Athens MSA)	Madison County	6	3	
Atlanta-Sandy Springs-Alpharetta, GA MSA (Atlanta MSA)	Cherokee, Cobb, DeKalb, Forsyth, Fulton, Gwinnett and Pickens ¹ Counties	659	15	Pickens County added by acquisition of Entegra Bank 12-31-2019

Gainesville, GA MSA (Gainesville MSA)	Hall County	36	1	Hall County added by acquisition of Entegra Bank 12-31-2019
Savannah, GA MSA (Savannah MSA)	Chatham County	72	1	
Georgia Non-MSA (GA Non-MSA)	Franklin, Hart, and Stephens, Counties	15	4	
Maryland				
Baltimore-Columbia-Towson, MD MSA (Baltimore MSA)	Anne Arundel and Howard Counties	160	2	
New Mexico				
Albuquerque, NM MSA (Albuquerque MSA)	Bernalillo County	153	1	
Santa Fe, NM MSA (Santa Fe MSA)	Santa Fe County	50	1	
North Carolina				
Asheville, NC MSA (Asheville MSA)	Buncombe, Haywood, Henderson, and Madison Counties	105	22	
Durham-Chapel Hill, NC MSA (Durham MSA)	Chatham, Durham, and Orange Counties	101	8	
Fayetteville, NC MSA (Fayetteville MSA)	Cumberland and Harnett ¹ County	95	11	OMB expanded the Fayetteville MSA in March 2020 to include Harnett
Goldensboro, NC MSA (Goldensboro MSA)	Wayne County	26	3	
Greensboro-High Point, NC MSA (Greensboro MSA)	Guilford, Randolph, and Rockingham Counties	168	12	
Greenville, NC MSA (Greenville MSA)	Pitt County	32	5	
Hickory-Lenoir-Morganton, NC MSA (Hickory MSA)	Alexander, Burke, Caldwell, and Catawba Counties	73	10	
Jacksonville, NC MSA (Jacksonville MSA)	Onslow County	32	7	
New Bern, NC MSA (New Bern MSA)	Craven County and Pamlico County	26	6	
Raleigh-Cary, NC MSA (Raleigh MSA)	Franklin, Johnston, and Wake Counties	224	30	
Rocky Mount, NC MSA (Rocky Mount MSA)	Nash County	18	1	
Virginia Beach, NC MSA (Virginia Beach MSA)	Gates County	3	1	
Wilmington, NC MSA (Wilmington MSA)	New Hanover and Pender Counties	61	9	
Winston-Salem, NC MSA (Winston-Salem MSA)	Forsyth, Stokes, and Yadkin Counties	109	9	
North Carolina Non-MSA (NC Non-MSA)	Allegany, Ashe, Avery, Beaufort, Bladen, Carteret, Cherokee, Clay, Columbus, Duplin, Graham, Greene, Halifax, Harnett ² , Jackson, Lee, Lenoir, McDowell, Macon, Martin, Moore, Pasquotank, Polk, Rutherford, Sampson, Stanly, Surry, Swain, Transylvania, Vance, Warren, Watauga, Wilkes, Wilson, and Yancey Counties	357	58	OMB March 2020 changes resulted in the removal of Harnett County as it became part of the Fayetteville MSA
Oklahoma				

Oklahoma City, OK MSA (Oklahoma City MSA)	Oklahoma and Cleveland ¹ Counties	303	2	Cleveland County added – Bank opened Norman, OK Branch on 06/15/2020
South Carolina				
Charleston-North Charleston, SC MSA (Charleston MSA)	Berkeley, Charleston, and Dorchester Counties	156	16	
Columbia, SC MSA (Columbia MSA)	Fairfield, Kershaw, Lexington, Richland, and Saluda Counties	188	23	
Florence, SC MSA (Florence MSA)	Darlington and Florence Counties	49	6	
Greenville-Anderson, SC MSA (Greenville MSA)	Anderson, Greenville, Laurens, and Pickens Counties	195	18	
Hilton Head Island-Bluffton, SC MSA (Hilton Head MSA)	Beaufort County	41	3	
Spartanburg, SC MSA (Spartanburg MSA)	Spartanburg County	69	10	
Sumter, SC MSA (Sumter MSA)	Sumter (23) and Clarendon ¹ (12) Counties	35	3	OMB expanded Sumter MSA in March 2020 to include Clarendon County
South Carolina Non-MSA (SC Non-MSA)	Abbeville, Barnwell, Chesterfield, Clarendon ² , Dillon, Georgetown, Greenwood, Lee, McCormick, Marion, Marlboro, Newberry, Oconee, Orangeburg, and Williamsburg Counties	136	25	OMB March 2020 changes resulted in the removal of Clarendon County as it became part of the Sumter MSA
Tennessee				
Chattanooga, TN MSA (Chattanooga)	Hamilton County	82	1	
Johnson City, TN MSA (Johnson City)	Washington County	23	1	
Knoxville, TN MSA (Knoxville MSA)	Knox County	112	2	
Nashville-Davidson-Murfreesboro-Franklin, TN MSA (Nashville MSA)	Davidson and Williamson Counties	198	2	
Texas				
Austin-Round Rock-Georgetown, TX MSA	Travis and Williamson Counties	307	4	
Dallas-Plano-Irving, TX MSA (Dallas MSA)	Dallas County and Collin County	681	2	
Houston-The Woodlands-Sugarland, TX MSA (Houston MSA)	Fort Bend and Harris Counties	862	2	
Virginia				
Blacksburg-Christiansburg, VA MSA (Blacksburg MSA)	Montgomery County	16	1	
Charlottesville, VA MSA (Charlottesville MSA)	Albemarle County; Charlottesville City	34	2	
Harrisonburg, VA MSA (Harrisonburg MSA)	Rockingham County; Harrisonburg City	30	1	
Lynchburg, VA MSA (Lynchburg MSA)	Bedford and Campbell Counties; Lynchburg City	48	4	
Richmond, VA MSA (Richmond MSA)	Chesterfield and Henrico Counties; Richmond City	201	7	
Roanoke, VA MSA (Roanoke MSA)	Botetourt and Roanoke Counties Roanoke and Salem Cities	54	7	
Staunton, VA MSA (Staunton MSA)	Augusta County; Staunton and Waynesboro Cities	24	1	
Washington- Arlington-Alexandria, DC-VA-MD-WV MSA (Washington MSA)	Arlington, Fairfax, Loudoun, Warren, ³ Spotsylvania Counties	423	4	Warren County was removed when Front Royal, VA Branch closed on 09/25/2020

	and Fairfax and Fredericksburg Cities			
Winchester, VA MSA (Winchester MSA)	Frederick County; Winchester City	19	1	
Virginia Non-MSA (VA Non-MSA)	Alleghany, Brunswick, Carroll, Greensville, Mecklenburg, Nottoway, and Pittsylvania Counties; Covington, Danville, Emporia, and Galax Cities	72	15	
Washington				
Olympia-Lacey-Tumwater, WA MSA (Olympia MSA)	Thurston County	50	1	
Seattle-Bellevue-Kent, WA MSA (Seattle MSA)	King and Snohomish ⁴ Counties	549	3	Snohomish County added – Bank opened Lynnwood, WA Branch on 6-28-2021
Tacoma-Lakewood, WA MSA (Tacoma MSA)	Pierce County	172	2	
West Virginia				
West Virginia Non-MSA (WV Non-MSA)	Greenbrier and Pocahontas Counties	11	4	
Wisconsin				
Milwaukee-Waukesha, WI MSA (Milwaukee MSA)	Milwaukee, Washington and Waukesha Counties	412	8	
Racine, WI MSA (Racine MSA)	Racine County	45	1	
Augusta-Richmond GA-SC Multi-State MSA (Augusta MSA)	Columbia, McDuffie, and Richmond, GA Counties; Aiken and Edgefield, SC Counties	111	11	
Charlotte-Concord-Gastonia NC-SC Multi-State MSA (Charlotte MSA)	Cabarrus, Iredell, Lincoln, Mecklenburg, and Union, NC Counties; Chester, Lancaster, and York, SC Counties	444	41	
Kansas City KS-MO Multi-State MSA (Kansas MSA)	Johnson, KS County; Jackson, MO County	329	2	
Myrtle Beach NC-SC Multi-State MSA (Myrtle Beach MSA)	Brunswick, NC County; Horry, SC County	105	10	
Portland -Vancouver-OR-WA MSA (Portland MSA)	Clackamas and Multnomah Counties (OR) Clark County (WA)	355	3	
TOTAL			525	
<i>Source: Bank Records as of December 31, 2021.</i>				
¹ <i>These markets are included in the 2020 and 2021 Lending Test analysis in this MSA;</i>				
² <i>These markets are included in the 2019 Lending Test analysis in this MSA;</i>				
³ <i>This market is included in the 2019 and 2020 Lending Test analysis in this MSA;</i>				
⁴ <i>This market is only included in the 2021 Lending Test analysis in this MSA.</i>				

Refer to the assessment areas for specific economic and demographic information.

SCOPE OF EVALUATION

General Information

In evaluating First-Citizens Bank’s Community Reinvestment Act (CRA) performance, examiners used the Large Institution CRA Examination Procedures, which consist of three tests: Lending, Investment, and Service. Examiners used the procedures to evaluate the bank’s CRA performance in its designated assessment areas. The evaluation period was from March 26, 2019, to July 19, 2022.

As previously noted in the Description of Institution, First-Citizens Bank completed a merger of equals with CIT Bank on January 4, 2022, with First-Citizens Bank as the surviving bank resulting in total assets of approximately \$111 billion. The merger expanded First-Citizen Bank’s existing assessment areas and added new assessment areas. As addressed, examiners did not evaluate CIT Bank’s CRA activity or the post-merger expanded assessment areas since the merger occurred close to the evaluation date.

The lending test considers an institution’s performance with respect to its lending activity and assessment area concentration; geographic distribution and borrower profile characteristics; innovative or flexible lending practices; and community development lending. The investment test considers the nature of an institution’s community development investments, grants, and donations. In particular, the investment test considers the level, responsiveness, innovativeness, and complexity of these activities. Lastly, the service test analyzes an institution’s retail services in relation to accessibility of delivery systems; branch locations, including openings and closures; and reasonableness of business hours and services. The service test also evaluates an institution’s level of community development services.

Examiners evaluated the bank’s lending data, deposit activity, and branching to determine the weighting of the rated areas in assigning the overall rating. As shown in the table below, North Carolina has the most loan and deposit activities and the largest branching network. Consequently, examiners gave most weight to the bank’s performance in North Carolina. Examiners assigned secondary weight to South Carolina, the Charlotte-Concord-Gastonia NC-SC Multi-State MSA, Virginia, and California in a descending order of impact. Together, North Carolina and the rated areas that received secondary weight accounted for 80.3 percent of bank-wide loans by dollar volume, 81.1 percent of bank-wide deposits, and 76.5 percent of bank-wide branches.

Assessment Area Breakdown of Loans, Deposits, and Branches										
Assessment Area	Loans ¹			Deposits ²			Branches ³			Review Level #
	\$(000s)	% Bank	% Rated Area	\$(000s)	% Bank	% Rated Area	#	% Bank	% Rated Area	
Phoenix MSA	292,371	1.3	86.8	319,070	0.7	92.8	2	0.4	66.7	FS
Tucson MSA	44,356	0.2	13.2	24,583	0.1	7.2	1	0.2	33.3	LS
Arizona Subtotal	336,727	1.5	100.0	343,653	0.8	100.0	3	0.6	100.00	
Anaheim MD	184,122	0.8	15.4	402,733	0.8	15.9	3	0.6	14.3	FS
Los Angeles MD	287,417	1.2	24.1	436,850	0.9	17.2	4	0.8	19.0	FS
Oakland MD	14,659	0.1	1.2	46,159	0.1	1.8	1	0.2	4.8	LS

Riverside MSA	130,207	0.6	10.9	323,998	0.7	12.8	3	0.6	14.3	LS
Sacramento MSA	166,595	0.7	14.0	657,226	1.4	25.9	3	0.6	14.3	LS
San Diego MSA	409,748	1.8	34.4	666,813	1.4	26.3	7	1.3	33.3	FS
California Subtotal	1,192,748	5.2	100.0	2,533,779	5.3	100.0	21	4.1	100.0	
Boulder MSA	20,868	0.1	11.5	23,268	0.0	8.7	1	0.2	20.0	LS
Denver MSA	159,895	0.7	88.5	244,883	0.5	91.3	4	0.8	80.0	FS
Colorado Subtotal	180,763	0.8	100.0	268,151	0.5	100.0	5	1.0	100.0	
Cape Coral MSA	74,841	0.3	8.5	119,583	0.2	5.2	2	0.4	7.4	LS
Fort Lauderdale MD	104,756	0.5	11.9	157,989	0.3	6.8	2	0.4	7.4	LS
Jacksonville MSA	171,220	0.7	19.4	286,824	0.6	12.4	4	0.8	14.8	FS
Miami MD	159,391	0.7	18.1	859,183	1.8	37.0	4	0.8	14.8	FS
Naples MSA	48,627	0.2	5.5	107,985	0.2	4.7	2	0.4	7.4	LS
North Port MSA	21,505	0.1	2.4	35,588	0.1	1.5	1	0.2	3.7	LS
Orlando MSA	39,622	0.2	4.5	95,578	0.2	4.1	2	0.4	7.4	LS
Port St. Lucie MSA	30,465	0.1	3.5	45,798	0.1	2.0	1	0.2	3.7	LS
Tampa MSA	96,644	0.4	11.0	375,495	0.8	16.2	7	1.3	25.9	FS
West Palm Beach MD	133,832	0.6	15.2	237,762	0.5	10.2	2	0.4	7.4	LS
Florida Subtotal	880,902	3.8	100.0	2,321,785	4.8	100.0	27	5.3	100.0	
Athens MSA	23,406	0.1	2.9	133,452	0.3	6.3	3	0.6	12.5	LS
Atlanta MSA	617,473	2.7	75.7	1,534,887	3.2	72.4	15	2.9	62.5	FS
Gainesville MSA	24,336	0.1	3.0	97,798	0.2	4.6	1	0.2	4.2	LS
Savannah MSA	65,003	0.3	8.0	65,314	0.1	3.1	1	0.2	4.2	LS
GA Non-MSA	85,256	0.4	10.5	289,859	0.6	13.7	4	0.8	16.7	LS
Georgia Subtotal	815,475	3.6	100.0	2,121,310	4.4	100.0	24	4.7	100.0	
Baltimore MSA	88,444	0.4		89,353	0.2		2	0.4		FS
Maryland Subtotal	88,444	0.4		89,353	0.2		2	0.4		
Albuquerque MSA	98,980	0.4	68.3	127,644	0.3	61.8	1	0.2	50.0	FS
Santa Fe MSA	45,846	0.2	31.7	78,807	0.2	38.2	1	0.2	50.0	LS
New Mexico Subtotal	144,826	0.6	100.0	206,451	0.5	100.0	2	0.4	100.0	
Asheville MSA	1,061,194	4.6	11.9	2,370,570	4.9	11.3	22	4.2	11.5	FS
Durham MSA	685,666	3.0	7.7	791,214	1.6	3.8	8	1.5	4.2	FS
Fayetteville MSA	305,714	1.3	3.4	1,107,271	2.3	5.3	11	2.1	5.7	LS
Goldsboro MSA	99,765	0.4	1.1	216,689	0.4	1.0	3	0.6	1.6	LS
Greensboro MSA	545,738	2.4	6.1	1,020,326	2.1	4.9	12	2.3	6.3	LS
Greenville MSA	260,237	1.1	2.9	474,055	1.0	2.3	5	1.0	2.6	LS
Hickory MSA	414,136	1.8	4.6	1,048,064	2.2	5.0	10	1.9	5.2	LS
Jacksonville MSA	164,543	0.7	1.8	616,107	1.3	2.9	7	1.3	3.6	LS
New Bern MSA	293,337	1.3	3.3	593,385	1.2	2.8	6	1.1	3.1	LS
Raleigh MSA	1,977,664	8.5	22.2	4,959,197	10.2	23.7	30	5.7	15.6	FS
Rocky Mount MSA	28,566	0.1	0.3	124,368	0.3	0.6	1	0.2	0.5	LS
Virginia Beach MSA	6,151	0.0	0.1	31,932	0.1	0.2	1	0.2	0.5	LS
Wilmington MSA	732,946	3.2	8.2	1,226,825	2.5	5.9	9	1.7	4.7	LS
Winston-Salem MSA	365,378	1.6	4.1	1,065,339	2.2	5.1	9	1.7	4.7	LS

NC Non-MSA	1,984,786	8.6	22.2	5,308,354	10.9	25.3	58	11.0	30.2	FS
North Carolina Subtotal	8,925,821	38.5	100.0	20,953,696	43.2	100.0	192	36.6	100.0	
Oklahoma City MSA	74,198	0.3		171,758	0.4		2	0.4		FS
Oklahoma Subtotal	74,198	0.3		171,758	0.4		2	0.4		
Charleston MSA	1,359,994	5.9	28.8	1,325,347	2.7	14.5	16	3.0	15.4	FS
Columbia MSA	1,029,224	4.4	21.8	2,526,702	5.2	27.6	23	4.4	22.1	FS
Florence MSA	197,108	0.9	4.2	491,437	1.0	5.4	6	1.1	5.8	LS
Greenville MSA	870,928	3.8	18.4	1,387,843	2.9	15.1	18	3.4	17.3	LS
Hilton Head MSA	166,107	0.7	3.5	253,752	0.5	2.8	3	0.6	2.9	LS
Spartanburg MSA	342,481	1.5	7.2	889,904	1.8	9.7	10	1.9	9.6	LS
Sumter MSA	99,485	0.4	2.1	226,574	0.5	2.5	3	0.6	2.9	LS
SC Non-MSA	659,301	2.8	14.0	2,068,382	4.3	22.6	25	4.8	24.0	FS
South Carolina Subtotal	4,724,628	20.4	100.0	9,169,941	18.9	100.0	104	19.8	100.0	
Chattanooga MSA	47,357	0.2	21.6	29,236	0.1	13.9	1	0.2	16.7	LS
Johnson City MSA	12,755	0.1	5.8	26,285	0.1	12.5	1	0.2	16.7	LS
Knoxville MSA	80,359	0.3	36.7	87,787	0.2	41.8	2	0.4	33.3	FS
Nashville MSA	78,374	0.3	35.8	66,869	0.1	31.8	2	0.4	33.3	FS
Tennessee Subtotal	218,845	0.9	100.0	210,177	0.5	100.0	6	1.2	100.0	
Austin MSA	181,223	0.8	58.9	271,156	0.6	62.8	4	0.8	50.0	FS
Dallas MSA	49,345	0.2	16.0	65,631	0.1	15.2	2	0.4	25.0	LS
Houston MSA	76,899	0.3	25.0	95,235	0.2	22.0	2	0.4	25.0	LS
Texas Subtotal	307,467	1.3	100.0	432,022	0.9	100.0	8	1.6	100.0	
Blacksburg MSA	40,625	0.2	3.0	33,123	0.1	1.3	1	0.2	2.3	LS
Charlottesville MSA	118,451	0.5	8.8	118,927	0.2	4.8	2	0.4	4.7	LS
Harrisonburg MSA	42,751	0.2	3.2	47,659	0.1	1.9	1	0.2	2.3	LS
Lynchburg MSA	116,796	0.5	8.7	275,473	0.6	11.1	4	0.8	9.3	LS
Richmond MSA	233,836	1.0	17.4	303,368	0.6	12.3	7	1.3	16.3	FS
Roanoke MSA	354,444	1.5	26.4	457,742	0.9	18.5	7	1.3	16.3	FS
Staunton MSA	29,951	0.1	2.2	44,559	0.1	1.8	1	0.2	2.3	LS
Washington MSA	201,956	0.9	15.0	209,389	0.4	8.5	4	0.8	9.3	FS
Winchester MSA	25,654	0.1	1.9	43,864	0.1	1.8	1	0.2	2.3	LS
VA Non-MSA	179,205	0.8	13.3	939,959	1.9	38.0	15	2.9	34.9	FS
Virginia Subtotal	1,343,668	5.8	100.0	2,474,063	5.1	100.0	43	8.2	100.0	
Olympia MSA	34,545	0.1	9.9	170,098	0.4	30.3	1	0.2	16.7	LS
Seattle MSA	227,081	1.0	65.3	225,849	0.5	40.2	3	0.6	50.0	FS
Tacoma MSA	86,216	0.4	24.8	166,193	0.3	29.6	2	0.4	33.3	LS
Washington Subtotal	347,841	1.5	100.0	562,140	1.2	100.0	6	1.1	100.0	
WV Non-MSA	31,531	0.1		171,218	0.4		4	0.8		FS
West Virginia Subtotal	31,531	0.1		171,218	0.4		4	0.8		
Milwaukee MSA	197,179	0.9	94.1	608,051	1.3	94.6	8	1.5	88.9	FS
Racine MSA	12,428	0.1	5.9	34,389	0.1	5.4	1	0.2	11.1	LS
Wisconsin Subtotal	209,607	1.0	100.0	642,440	1.4	100.0	9	1.7	100.0	

Augusta MSA	243,407	1.1		755,998	1.6		11	2.1		FS
Charlotte MSA	2,418,839	10.4		4,194,921	8.6		41	7.8		FS
Kansas City MSA	88,846	0.4		146,123	0.3		2	0.4		FS
Myrtle Beach MSA	486,440	2.1		622,048	1.3		10	1.9		FS
Portland MSA	119,355	0.5		158,809	0.3		3	0.6		FS
Total	23,180,374	100.0		48,549,836	100.0		525	100.0		

¹Source: 2019, 2020, and 2021 HMDA and CRA Data
²FDIC Summary of Deposits as of 6/30/2021
³Bank records as of 3/31/2022
#FS – Full-Scope
#LS – Limited-Scope
Due to rounding, totals may not equal 100.0 percent.

Activities Reviewed

This evaluation includes a review of loans reported pursuant to the Home Mortgage Disclosure Act (HMDA) and the CRA for 2019, 2020, and 2021. The tables present 2020 lending data as this is the most recent year for which aggregate data is available for comparison purposes. The written analyses of lending also includes 2020 lending. However, examiners also reviewed lending performance for 2019 and 2021 and discuss any significant performance variances under the Geographic Distribution and Borrower Profile performance factors. In addition, lending analysis primarily considers the number of loans rather than the dollar amount for CRA evaluations. However, the examiners’ assessments also considered the qualitative aspects of the dollar amount of lending. Lastly, the Geographic Distribution and Borrower Profile discussions focus only on loans First-Citizens Bank originated and purchased within the assessment areas.

Federal banking agencies rely on the U.S. Census data that is updated every five years through the American Community Survey (ACS) for comparative demographic data for home mortgage lending and D&B data for small business and small farm lending. Additionally, HMDA and CRA aggregate data are used for comparative purposes. The bank’s lending performance for each year is compared to the demographic data provided by the 2015 ACS for home mortgage lending, as well as the respective HMDA aggregate data for 2019 and 2020. Aggregate data for 2021 was not yet available at the time of the evaluation. For small business and small farm lending, the bank’s performance is compared to demographic data provided by D&B for each year, as well as the respective 2019 and 2020 CRA aggregate data. For the Geographic Distribution analysis, home mortgage, small business, and small farm lending performance is compared to the level of owner-occupied housing, businesses, and farms located in low-, moderate-, middle-, and upper-income tracts. For the Borrower Distribution analysis, performance is compared to the level of low-, moderate-, middle-, and upper-income borrowers for home mortgage and the percentage of businesses and farms with gross annual revenues of \$1 million or less.

When weighing the loan products’ weighting on the overall conclusions, examiners evaluated home mortgage, small business, and small farm loans by number and volume of lending over the review period. As shown in the following table, First-Citizens Bank’s primary business focuses on commercial and home mortgage lending. The tables also reflect that First-Citizens Bank originated a significantly higher number of small business loans. However, reportable loans by dollar volume reflect a similar emphasis on home mortgage and small business loans. Therefore, examiners will

vary and distribute the loan product weighting throughout the performance evaluation for home mortgage, small business, and small farm lending based on the volume of loans in each rated area and the underlying full-scope assessment areas if such vary from the rated area. Examiners reviewed small farm loans in the following assessment areas due to the limited number of small farm lending in the other assessment areas: NC Non-MSA; Raleigh MSA; Charlotte MSA; Columbia MSA; and SC Non-MSA. Small farm loans received limited weight in the assessment areas in which they were reviewed given the limited level of lending in comparison to home mortgage and small business lending.

Loan Products Reviewed				
Loan Category	Universe		Reviewed	
	#	\$(000s)	#	\$(000s)
Home Mortgage	59,404	12,490,502	59,404	12,490,502
Small Business	93,065	12,106,871	93,065	12,106,871
Small Farm	3,523	408,637	3,523	408,637

Source: 2019, 2020, and 2021 HMDA and CRA Data.

The following table reflects loans originated or purchased during 2021.

Loans Originated or Purchased				
Loan Category	#	%	\$ (000s)	%
Construction, Land Development, and Other Land Loans	2,223	1.7	640,208	4.2
Secured by Farmland	129	0.1	52,303	0.3
Secured by 1-4 Family Residential Properties	14,906	11.2	6,864,647	45.3
Secured by Multi-Family (5 or more) Residential Properties	108	0.1	96,434	0.6
Secured by Nonfarm Nonresidential Properties	3,749	2.8	2,556,662	16.9
Total Real Estate Loans	21,115	15.9	10,210,254	67.3
Commercial and Industrial Loans	46,914	35.3	3,154,647	20.8
Agriculture Production and Other Loans to Farmers	997	0.7	115,640	0.8
Consumer Loans	62,061	46.6	1,090,187	7.2
Other Loans	1,989	1.5	588,818	3.9
Total Loans	133,076	100.0	15,159,546	100.0

Source: Bank Records

Additionally, a review of the delivery systems for retail banking services and the impact of any branch openings or closures was completed. Retail banking services were reviewed to ensure that the needs of the assessment areas are being met, especially to low- and moderate-income borrowers, small businesses, and small farms. The branch office distribution period is from March 26, 2019, through March 31, 2022. As previously noted, the scope of the current evaluation excludes CIT Bank’s operations due to the timing of the merger.

The evaluation period for community development loans, qualified investments, and community development services is January 1, 2019, through December 31, 2021, as the prior examination did not include community development activities for the first quarter of 2019, given the bank did not provide the data. While the bank conducted community development activities in 2022, the

bank only provided the community development data through December 31, 2021, for review and analysis. All qualified investments purchased prior to the last evaluation date and still outstanding as of this evaluation date are also included. Furthermore, examiners evaluated community development activities quantitatively based on the financial capacity of the bank, as well as qualitatively based upon the impact to the assessment areas.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

The Lending Test rating is High Satisfactory. Lending levels reflect good responsiveness to the assessment areas' credit needs, and a substantial majority of loans are made in the assessment areas. The geographic distribution of loans reflects good penetration throughout the assessment areas, and the distribution of loans reflects good penetration among individuals of different incomes and small businesses and farms of different sizes. The institution uses flexible lending practices in order to serve the assessment areas' credit needs. The bank made a relatively high level of community development loans. The overall performance is generally consistent with the rated areas with 12 of the 21 rated areas considered High Satisfactory, including 5 rated areas where the vast majority of the bank's operations are maintained. These rated areas include North Carolina, South Carolina, the Charlotte-Concord-Gastonia NC-SC Multi-State MSA, Virginia, and California. The remaining rated areas are considered Low Satisfactory, with the exception of New Mexico, which is Needs to Improve.

Lending Activity

Lending levels reflect good responsiveness to the assessment areas' credit needs. As of the June 30, 2022, Consolidated Report of Condition and Income, First-Citizens Bank had a 74.9 percent average loan-to-deposit ratio compared to a Uniform Bank Performance Report (UBPR) peer group average loan-to-deposit ratio of 59.4 percent. The bank's UBPR peer group includes all insured commercial banks having assets greater than \$100 billion. The bank's ratio ranged from a low of 62.7 percent in the fourth quarter of 2021 to a high of 83.6 percent in the fourth quarter of 2019.

Assessment Area Concentration

A substantial majority of loans were made in the assessment areas. The following table provides the bank's lending inside and outside of the assessment areas.

Lending Inside and Outside of the Assessment Areas										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage										
2019	17,193	95.4	830	4.6	18,023	3,057,280	95.4	145,965	4.6	3,203,245
2020	19,273	95.5	903	4.5	20,176	4,128,124	95.1	213,174	4.9	4,341,298
2021	20,109	94.8	1,096	5.2	21,205	4,655,362	94.1	290,597	5.9	4,945,959
Subtotal	56,575	95.2	2,829	4.8	59,404	11,840,766	94.8	649,736	5.2	12,490,502
Small Business										
2019	13,250	93.9	863	6.1	14,113	1,724,439	92.4	142,464	7.6	1,866,903
2020	39,795	93.8	2,619	6.2	42,414	4,939,266	91.4	464,880	8.6	5,404,146
2021	33,868	92.7	2,670	7.3	36,538	4,342,731	89.8	493,091	10.2	4,835,822
Subtotal	86,913	93.4	6,152	6.6	93,065	11,006,436	90.9	1,100,435	9.1	12,106,871
Small Farm										
2019	704	87.1	104	12.9	808	87,976	84.1	16,689	15.9	104,665
2020	979	85.0	173	15.0	1,152	102,720	80.7	24,504	19.3	127,224
2021	1,320	84.5	243	15.5	1,563	142,476	80.6	34,272	19.4	176,748
Subtotal	3,003	85.2	520	14.8	3,523	333,172	81.5	75,465	18.5	408,637
Total	146,491	93.9	9,501	6.1	155,992	23,180,374	92.7	1,825,636	7.3	25,006,010
<i>Source: 2019, 2020, and 2021 HMDA and CRA Data.</i>										

Geographic Distribution

Overall, the geographic distribution of loans reflects good penetration throughout the assessment areas. Performance varied but was good or adequate throughout the rated areas. The five most weighted rated areas were considered good with the exception of North Carolina, which was adequate. Small business and farm performance was generally stronger than home mortgage performance. Please refer to the home mortgage, small business, and small farm lending performance tables within the assessment areas for details about lending activity.

Borrower Profile

Overall, the distribution of loans reflects good penetration among individuals of different income levels and businesses and farms of different sizes. Performance varied, but was generally good or adequate throughout the rated areas, with the exception of Wisconsin, which was considered outstanding. In addition, the five most weighted rated areas were considered good with the exception of California, which was adequate. Small business and farm performance was generally stronger than home mortgage performance. Please refer to the home mortgage, small business, and small farm lending performance tables for details about lending activity within the individual assessment areas.

Innovative and/or Flexible Lending Practices

First-Citizens Bank uses flexible lending programs in order to serve assessment areas' credit needs. Flexible lending programs provided 37,758 loans totaling \$4.9 billion. This performance represents a significant increase by number and dollar volume from the previous evaluation. A summary of the programs offered by First-Citizens Bank is detailed below.

Innovative and/or Flexible Home Loans Programs								
Type of Program	2019		2020		2021		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
City of Columbia	0	0	1	121	0	0	1	121
City of Wilmington	7	671	1	51	2	179	10	901
Federal Housing Administration	244	40,369	144	26,808	158	30,240	546	97,417
Veterans Administration	94	21,092	90	22,974	87	23,503	271	67,569
US Department of Agriculture	54	7,697	76	13,238	66	11,275	196	32,210
South Carolina Housing Authority	61	8,566	26	3,284	27	3,901	114	15,751
North Carolina Housing Finance Agency	152	19,984	54	8,303	48	7,572	254	35,859
Virginia Housing Development Authority	0	0	1	164	1	79	2	243
Community Opportunity Mortgage	190	31,434	315	58,187	191	38,778	696	128,399
Home Ownership Mortgage Express	163	35,426	152	37,739	98	28,136	413	101,301
Eastern Bank of Cherokee Indians	8	1,379	8	1,504	13	2,229	29	5,112
Small Business Administration 504 Program	35	9,665	74	29,214	165	77,998	274	116,877
Rural Development Loan	0	0	1	1,045	0	0	1	1,045
Farm Services Agency	5	1,135	4	1,000	6	1,662	15	3,797
Paycheck Protection Program	0	0	23,162	3,169,290	11,774	1,150,271	34,936	4,319,561
Totals	1,013	177,418	24,109	3,372,922	12,636	1,375,823	37,758	4,926,163
<i>Source: Bank Records</i>								

First-Citizens Bank offers several flexible small business and small farm loan programs for businesses that would not otherwise qualify for standard commercial loans. First-Citizens Bank is a Preferred Lender for the Small Business Administration (SBA) and offers SBA Express, SBA 7(a), and SBA 504 loans.

In addition, First-Citizens Bank refers commercial loans to Business Development Corporation (BDC), a Community Development Financial Institution (CDFI) that serves small businesses throughout Alabama, Florida, Georgia, North Carolina, South Carolina, Tennessee, and Virginia. During 2020 and 2021, First-Citizens Bank referred 10 SBA 7(a) loans and 7 SBA 504 loans totaling over \$25 million to BDC. An additional 10 loans totaling more than \$3 million were

referred to BDC for consideration to the State Small Business Credit Initiative (SSBCI) Loan Participation Program. This program enables small businesses in South Carolina to obtain short to long-term financing to help businesses grow and expand, ultimately creating and retaining jobs in South Carolina. Finally, in 2021, First-Citizens Bank referred 6 loans totaling \$301,000 to BDC for enrollment in the SC CAP Loan Program. The SC CAP program is ideal for small, for-profit businesses that need a quick loan of \$100,000 or less. This flexible lending program empowers businesses to grow and expand, which ultimately provides more jobs and better economic conditions in South Carolina.

First-Citizens Bank offers flexible housing loans through the following Federal government agencies: Federal Housing Administration, Veterans Administration, and the United States Department of Agriculture. These programs provide affordable home ownership opportunities to low- and moderate-income families. The programs also offer flexible underwriting criteria, government guarantees, lower down-payment requirements, and closing cost assistance. First-Citizens Bank also offers mortgages through two state housing agencies: the North Carolina Housing Finance Agency and the South Carolina Housing Authority. The state housing agency programs target first-time homebuyers as well as low- and moderate-income borrowers and provide below market interest rates and flexible terms.

First-Citizens Bank further offers two proprietary affordable mortgage loan products, Community Opportunity Mortgage and Home Ownership Mortgage Express. The Community Opportunity Mortgage program is targeted to low- and moderate-income individuals and provides fixed-rate financing for home purchase loans for borrowers with qualifying income up to 100 percent of HUD Area Median Income. Private mortgage insurance is not required, and underwriting requirements are more flexible than conventional mortgage loans. The Home Ownership Mortgage Express program allows purchase transactions up to a 100 percent loan-to-value ratio for applicants with credit scores of 680 or higher or 97 percent loan-to-value ratio for applicants with credit scores of 660 or higher, Mortgage insurance is not required.

Finally, the bank offers flexible mortgage loans for the Eastern Band of Cherokee Indian Reservation in North Carolina. These loans provide financing for construction, renovation, refinance, and purchase of leasehold property within the boundaries of the Reservation. This program provides members on the Reservation with access to long-term mortgage financing, and no mortgage insurance is required.

The innovative and/or flexible programs are offered bank-wide, with the exception of state and city specific programs. Therefore, the performance criteria is not further discussed within the rated areas and assessment areas.

Community Development Loans

First-Citizens Bank made a relatively high level of community development loans. During 2019, 2020, and 2021, the bank extended 550 community development loans for \$860.8 million. This activity accounts for 2.6 percent of total loans and 1.5 percent of total assets as of December 31, 2021. Since the last evaluation, the number and dollar volume of community development loans increased by 46.6 and 20.6 percent, respectively. Although the bank has increased its number and

dollar volume of community development loans, 21.8 percent of the community development loans by number are renewals. Performance among the rated-areas varied widely.

First-Citizens Bank's community development loans support affordable housing to low- and moderate -income individuals and small businesses in partnership with local and state governmental agencies to promote economic development and revitalization or stabilization efforts in low-, moderate-, and distressed non-metropolitan middle-income census tracts and community development services.

The following tables present community development lending by purpose and year as well as each rated area. A detailed discussion of community development lending activities is provided within the full-scope assessment areas of each rated area.

Community Development Lending by Activity Year										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
2019	25	18,203	96	42,884	3	750	32	45,390	156	107,227
2020	37	50,563	86	62,029	4	2,740	48	187,047	175	302,379
2021	34	126,690	112	90,247	13	17,720	60	216,586	219	451,243
Total	96	195,456	294	195,160	20	21,210	140	449,023	550	860,849
<i>Source: Bank Records January 1, 2019 – December 31, 2021</i>										

Community Development Lending by Rated Area										
Rated Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
North Carolina	32	161,350	75	16,248	2	650	47	115,633	156	293,881
South Carolina	8	4,708	44	93,065	0	0	30	96,732	82	194,505
Virginia	3	16,266	22	11,645	0	0	12	46,399	37	74,310
California	33	1,020	30	12,468	9	14,874	5	10,621	77	38,983
Florida	8	1,640	25	21,242	0	0	12	28,166	45	51,048
Georgia	2	8,600	12	691	0	0	6	80,554	20	89,845
Texas	0	0	12	1,200	1	1,300	6	24,518	19	27,018
Arizona	0	0	1	35	1	1,090	4	10,085	6	11,210
Washington	0	0	14	4,159	0	0	2	6,376	16	10,535
Colorado	1	50	4	270	0	0	1	7,021	6	7,341
Tennessee	0	0	7	180	3	150	0	0	10	330
Wisconsin	0	0	2	450	1	150	0	0	3	600
New Mexico	0	0	10	605	0	0	0	0	10	605
Oklahoma	0	0	3	70	0	0	1	2,941	4	3,011
West Virginia	3	147	0	0	0	0	2	2,235	5	2,382
Maryland	0	0	1	2,000	3	2,996	0	0	4	4,996
Charlotte-Concord-Gastonia NC-SC Multi-State MSA	3	125	21	28,447	0	0	8	11,188	32	39,760
Myrtle-Beach-Conway-North Myrtle Beach NC-SC Multi-State MSA	0	0	0	0	0	0	0	0	0	0
Augusta-Richmond County GA-SC Multi-State MSA	0	0	1	57	0	0	3	2,125	4	2,182
Portland OR-WA Multi-State MSA	1	200	7	2,268	0	0	0	0	8	2,468
Kansas City KS-MO Multi-State MSA	2	1,350	3	60	0	0	1	4,429	6	5,839
Total	96	195,456	294	195,160	20	21,210	140	449,023	550	860,849
<i>Source: Bank Records January 1, 2019 – December 31, 2021</i>										

INVESTMENT TEST

The overall investment test rating for First-Citizens Bank is High Satisfactory. First-Citizens Bank maintains a significant level of qualified investments and donations, occasionally in a leadership position, particularly those that are not routinely provided by private investors. The institution exhibits good responsiveness overall to the credit and community economic development needs of its assessment areas, and overall occasionally uses innovative and/or complex investments to support community development initiatives.

The bank primarily fulfills its qualified investment objectives through the combination of SBA Loan Pool Securities (SBA pools); Low-Income Housing Tax Credit (LIHTC) investments in funds and projects with several organizations; Government National Mortgage Association (GNMA) Securities backed by multi-family mortgages (MBS); and certificates of deposits (CDs) in financial institutions. Additionally, the bank made a large amount of qualified grants, charitable donations, and in-kind donations.

Considering the level of investments that benefit the nationwide and regional areas, the institution's overall rating is consistent with many of the individual rated areas. While the Investment Test performance for the rated areas varied, the institution's overall performance of High Satisfactory is consistent with eleven rated areas. Two of the rated areas are considered Outstanding with six rated areas noted as Low Satisfactory and one each considered Needs to Improve or Substantial Noncompliance. Also, contributing to the overall High Satisfactory rating are the investments within the broader regional and state-wide areas that are not specifically included or allocated to the rated areas.

Investment and Grant Activity

First-Citizens Bank maintains a significant level of qualified investments and donations. During the evaluation period, the bank made 2,106 qualified investments, including donations, totaling \$648.2 million. Of the total amount, \$444.6 million are new qualified investments, \$199.0 million are prior period investments, and \$4.6 million are grants and donations. This level of investment activity represents 1.1 percent of average total assets and 5.0 percent of average total securities as of December 31, 2021. Qualified investments made during the evaluation period primarily include LIHTCs and MBSs, which are designed to provide funding and liquidity to affordable housing markets. Qualified investments in SBA pools support economic development by providing funding to small businesses.

Nationwide investments account for \$439.3 million of the total qualified investments. These investments impact multiple rated areas and assessment areas. Therefore, examiners discuss the nationwide investment portions that benefit specific assessment areas, as applicable, under each rated-area and assessment area. The aforementioned nationwide investments consist of \$356.0 million in GNMA MBS multi-housing investments and \$8.0 million in LIHTCs. These two types of investments provide support in various assessment areas for affordable housing, which is an identified need in many areas. The nationwide investments also include \$75.3 million in prior period investments.

Additionally, of the total qualified investments, \$131.2 million are regional investments that impact multiple rated areas and assessment areas. Therefore where applicable, examiners discuss the portion of regional investments that benefit specific assessment areas. The regional investments consist of \$32.0 million in LIHTCs, which provide support for affordable housing, and \$7.1 million in SBA pools, which provide support for economic development. The regional activities also include \$92.1 million in prior period investments. The following tables show qualified investments by rated area, purpose, and year. Further details regarding specific qualified investment, grant, and donation activities are provided under each rated area and assessment area.

Qualified Investments by Year										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	52	129,880	0	0	104	69,154	0	0	156	199,034
2019	10	42,020	0	0	1	250	0	0	11	42,270
2020	30	113,064	0	0	4	1,008	0	0	34	114,072
2021	45	281,189	0	0	3	7,073	0	0	48	288,262
Subtotal	137	566,153	0	0	112	77,485	0	0	249	643,638
Qualified Grants & Donations	133	194	1,399	3,577	254	681	71	139	1,857	4,591
Total	270	566,347	1,399	3,577	366	78,166	71	139	2,106	648,229
<i>Source: Bank Records</i>										

Qualified Investments by Assessment Area										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals*	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Asheville MSA	8	20	96	225	6	41	0	0	110	286
Durham MSA	3	25	8	282	9	282	0	0	20	589
Fayetteville MSA	4	2	23	12	5	3	0	0	32	17
Goldensboro MSA	3	2	18	9	4	20	0	0	25	31
Greensboro MSA	5	13	44	65	8	26	0	0	57	104
Greenville MSA	3	<1	22	47	4	60	0	0	29	107
Hickory MSA	2	1	43	29	8	12	0	0	53	42
Jacksonville MSA	0	0	9	24	2	20	0	0	11	44
New Bern MSA	4	8,002	21	14	5	17	0	0	30	8,033
Raleigh MSA	14	34	94	1,199	13	118	0	0	121	1,351
Rocky Mount MSA	0	0	3	<1	0	0	0	0	3	<1
Virginia Beach MSA	0	0	0	0	0	0	0	0	0	0
Wilmington MSA	3	2	29	34	7	6	0	0	39	42
Winston-Salem MSA	3	5	20	121	3	2	0	0	26	128
NC Non-MSA	4	8	61	66	10	7	37	55	112	136
North Carolina State-wide	8	44,472	0	0	0	0	0	0	8	44,472
North Carolina Subtotal*	64	52,586	491	2,130	84	614	37	55	676	55,385
Charleston MSA	5	4	31	70	14	33	0	0	50	107
Columbia MSA	5	9	91	373	5	270	0	0	101	652
Florence MSA	4	12	32	84	0	0	0	0	36	96
Greenville MSA	0	0	72	130	9	17	0	0	81	147
Hilton Head MSA	0	0	0	0	4	3	0	0	4	3
Spartanburg MSA	0	0	13	14	2	3	0	0	15	17
Sumter MSA	2	2	4	2	2	2	0	0	8	6
SC Non-MSA	10	4,055	69	223	6	31	20	39	105	4,348
South Carolina State-Wide	2	4,367	0	0	0	0	0	0	2	4,367
South Carolina Subtotal*	28	8,449	312	896	42	359	20	39	402	9,743
Blacksburg MSA	0	0	3	1	0	0	0	0	3	1
Charlottesville MSA	2	<1	7	6	10	12	0	0	19	18
Harrisonburg MSA	2	2	5	5	4	4	0	0	11	11
Lynchburg MSA	0	0	9	4	1	<1	0	0	10	4
Richmond MSA	0	0	3	2	0	0	0	0	3	2
Roanoke MSA	0	0	36	44	8	11	0	0	44	55
Staunton MSA	0	0	3	1	0	0	0	0	3	1
Washington MSA	1	4	12	12	4	63	0	0	17	79
Winchester MSA	1	<1	0	0	0	0	0	0	1	<1
VA Non-MSA	2	<1	37	20	2	2	9	4	50	26
Virginia Subtotal*	8	7	115	95	29	92	9	4	161	198
Anaheim MD	0	0	5	3	3	3	0	0	8	6

Los Angeles MD	0	0	10	18	2	3	0	0	12	21
Oakland MD	0	0	1	1	0	0	0	0	1	1
Riverside MSA	3	3	5	6	2	1	0	0	10	10
Sacramento MSA	2	2	8	7	1	<1	0	0	11	10
San Diego MSA	0	0	19	15	2	2	0	0	21	17
California Statewide	1	1,244	0	0	1	695	0	0	2	1,939
California Subtotal*	6	1,249	48	50	11	704	0	0	65	2,003
Cape Coral MSA	0	0	5	10	0	0	0	0	5	10
Fort Lauderdale MD	0	0	7	8	3	251	0	0	10	259
Jacksonville MSA	1	<1	7	6	8	11	0	0	16	18
Miami MD	0	0	5	3	4	251	0	0	9	254
Naples MSA	0	0	8	7	0	0	0	0	8	7
North Port MSA	0	0	3	2	1	1	0	0	4	3
Orlando MSA	0	0	4	2	0	0	0	0	4	2
Port St Lucie MSA	0	0	4	4	0	0	0	0	4	4
Tampa MSA	2	2	20	16	2	3	0	0	24	21
West Palm Beach MD	2	<1	9	4	1	<1	0	0	12	5
Florida Subtotal*	5	3	72	62	19	517	0	0	96	582
Athens MSA	2	<1	3	2	0	0	0	0	5	2
Atlanta MSA	4	2	38	31	14	14	0	0	56	47
Gainesville MSA	0	0	3	1	2	4	0	0	5	5
Savannah MSA	1	1	6	6	5	248	0	0	12	255
GA Non-MSA	0	0	19	5	0	0	0	0	19	5
Georgia Subtotal*	7	4	69	45	21	266	0	0	97	315
Austin MSA	1	3	8	7	3	4	0	0	12	14
Dallas MSA	2	3	5	2	1	1	0	0	8	6
Houston MSA	1	2	1	1	2	2	0	0	4	5
Texas Subtotal*	4	8	14	10	6	7	0	0	24	25
Phoenix MSA	0	0	7	59	0	0	0	0	7	59
Tucson MSA	0	0	0	0	0	0	0	0	0	0
Arizona Subtotal*	0	0	7	59	0	0	0	0	7	59
Olympia MSA	0	0	12	6	0	0	0	0	12	6
Seattle MSA	0	0	6	3	0	0	0	0	6	3
Tacoma MSA	0	0	6	3	8	7	0	0	14	10
Washington Subtotal*	0	0	24	12	8	7	0	0	32	19
Boulder MSA	0	0	5	6	0	0	0	0	5	6
Denver MSA	0	0	9	11	2	3	0	0	11	14
Colorado Subtotal*	0	0	14	17	2	3	0	0	16	20
Chattanooga MSA	0	0	0	0	3	1	0	0	3	1
Johnson City MSA	0	0	2	<1	0	0	0	0	2	<1
Knoxville MSA	0	0	6	3	0	0	0	0	6	3
Nashville MSA	0	0	5	5	2	6	0	0	7	11
Tennessee Subtotal*	0	0	13	8	5	7	0	0	18	15
Milwaukee MSA	6	6	27	16	8	522	0	0	41	544

Racine MSA	0	0	3	2	1	<1	0	0	4	2
Wisconsin Subtotal*	6	6	30	18	9	522	0	0	45	546
Albuquerque MSA	1	2	1	2	0	0	0	0	2	4
Santa Fe MSA	0	0	3	5	0	0	0	0	3	5
New Mexico Subtotal*	1	2	4	7	0	0	0	0	5	9
Oklahoma City MSA	0	0	7	16	2	1	0	0	9	17
Oklahoma Subtotal*	0	0	7	16	2	1	0	0	9	17
WV Non-MSA	0	0	0	0	1	<1	0	0	1	<1
West Virginia Subtotal*	0	0	0	0	1	<1	0	0	1	<1
Baltimore MSA	0	0	5	3	2	2	0	0	7	5
Maryland Subtotal*	0	0	5	3	2	2	0	0	7	5
Charlotte-Concord-Gastonia NC-SC Multi-State MSA	3	5	127	104	9	20	0	0	139	129
Myrtle-Beach NC-SC Multi-State MSA	5	2	16	13	1	2	0	0	22	17
Augusta-Richmond GA-SC Multi-State MSA	1	3	25	30	3	6	0	0	29	39
Portland - Vancouver-OR-WA MSA	5	2	6	4	4	3	0	0	15	9
Kansas City KS-MO Multi-State MSA	3	8	3	2	3	2	0	0	9	12
Rated Area Subtotals	146	62,334	1,402	3,577	261	3,128	66	98	1,875	69,137
Regional Activities	21	57,918	0	0	102	73,288	0	0	123	131,206
Nationwide Activities	102	437,834	0	0	1	1,499	0	0	103	439,333
Outside Assessment Areas	1	8,261	2	<1	2	251	5	41	10	8,554
Total*	270	566,347	1,399	3,577	366	78,166	71	139	2,106	648,229

Source: Bank Data

*All totals for each Assessment Area, Rated Area, and overall totals may not total consistently due to rounding.

NOTE: Donations are discussed within each Rated Area

Responsiveness to Credit and Community Development Needs

First-Citizens Bank exhibits overall good responsiveness to credit and community development needs. Since the prior evaluation, bank management made a concerted effort to ensure new investments and donations were concentrated in its assessment areas, which further supports the bank's good responsiveness. The bank continues to be responsive in providing for affordable housing needs and expanding with the economic needs of small businesses through investments in SBA pools collateralized by businesses within the assessment areas. LIHTCs, MBS, SBA pools, and CDs make up the entirety of the new qualified investments.

First-Citizens Bank continues to invest in LIHTCs through three syndicators of tax credits for affordable housing. One of the syndicators is a large non-profit syndicator of tax credits for low-income rental housing. The mission of non-profit syndicator is to raise and invest equity capital in

qualified LIHTC projects to empower residents living in these developments. The non-profit syndicator helps finance and promote home ownership. The syndicator creates a new investment fund each year to finance multi-family developments that utilize tax incentives provided through the LIHTC program. Through its investments in the syndicator's equity funds, the bank participated in tax credit programs in nine states.

The other two syndicators that First-Citizens Bank utilizes are large national syndicators of tax credits for low-income rental housing. Each national syndicator creates a new investment fund each year to finance multi-family developments that utilize tax incentives provided through the LIHTC program. Through these investments, the bank was able to invest in affordable housing projects specific to its assessment areas.

The bank participated in seven GNMA multi-family REMIC Trust Pass-Through Securities, which are MBS. These issuances are composed of multi-family projects and construction loans in 15 states.

SBA pools are securities that are made up of pooled loans. As a federal agency, the SBA offers loan guarantees through its 7(a) loan program, which allows small businesses that are unable to otherwise secure financing through normal lending channels to obtain loans. The bank invested in one SBA Pool securitized by small business loan guarantees in 1 state. Additionally, the bank continues to support 99 prior period SBA Pools securitized by small business loan guarantees in 9 states.

Qualified investments also include deposits in minority- and women-owned financial institutions (MDIs) totaling \$1.8 million. During the performance evaluation period, the bank purchased five certificates of deposits from four MDIs. These MDIs are headquartered or have branch offices in five states within the bank's footprint.

Qualifying grants and donations can be responsive to charitable or community-based organizations serving local residents. Many organizations rely on these contributions to continue their services. The bank made 1,857 qualifying donations, including in-kind donations, and grants totaling \$4.6 million during the review period.

As the bank's responsiveness is overall good throughout the rated areas and assessment areas, the Investment Test conclusions with regards to responsiveness are not further discussed in detail; however, the summary comments for the rated areas and full-scope assessment areas that differ from the overall level will reflect the difference in performance.

Community Development Initiatives

The bank occasionally uses innovative and/or complex investments to support community development initiatives. LIHTC, MBS, SBA pools and CDs make up the majority of new investments since the prior evaluation. Although these investments help to sustain affordable housing and economic development in the assessment areas, they are not innovative and are mainly parts of nationwide and regional investments. Of note, the majority of these investments are collateralized specifically to benefit the assessment areas, which increased their complexity.

As the bank’s use of innovative and/or complex investments is overall good throughout the rated areas and assessment areas, the Investment Test conclusions with regards to this performance criteria are not further discussed in detail; however, the summary comments for the rated areas and full-scope assessment areas that differ from the overall level will reflect the difference in performance.

SERVICE TEST

The Service Test rating for First-Citizens Bank is High Satisfactory. Delivery systems are accessible to essentially all portions of the assessment areas, and opening and closing of branches has not adversely affected the accessibility of its delivery systems, particularly with respect to low- and moderate-income geographies or individuals. Services and business hours do not vary in a way that inconveniences certain portions of the assessment areas. First-Citizens Bank provided a relatively high level of community development services. The institution’s overall performance is consistent with the conclusions for each rated area with the exception of Georgia, Texas, Wisconsin, Tennessee, Oklahoma, and Maryland, which are all considered Low Satisfactory. The Portland-Vancouver-Hillsboro, OR-WA Multi-State MSA is considered Needs to Improve.

Accessibility of Delivery Systems

Delivery systems are accessible to essentially all portions of the institution’s assessment areas. However, some differences exist in the accessibility of delivery systems related to branch distributions between the rated areas and the individual assessment areas. Notable differences are discussed under the applicable rated areas and/or assessment areas. As of March 31, 2022, the bank operated 525 branch offices throughout the assessment areas, of which 513 are full-service branches. The branch distribution by income of the geography is shown in the following table.

Branch Distribution by Geography Income Level								
Tract Income Level	Census Tracts		Population		Branches		ATMs	
	#	%	#	%	#	%	#	%
Low	1,659	8.9	6,744,272	7.8	25	4.8	26	4.4
Moderate	4,531	24.4	20,885,262	24.2	108	20.6	137	23.0
Middle	6,129	33.0	29,519,129	34.3	213	40.6	242	40.6
Upper	5,950	32.1	28,695,740	33.3	176	33.5	163	27.3
NA	285	1.5	339,290	0.4	3	0.6	28	4.7
Total	18,554	100.0	86,183,693	100.0	525	100.0	596	100.0
<i>Source: 2015 ACS Data and Bank Data. Due to rounding, totals may not equal 100.0 percent.</i>								

The branch distribution reflects that branching within the low- and moderate-income tracts is below the population within those tracts. However, in several of the assessment areas, First-Citizens Bank operates branches in close proximity to the low- and moderate-income areas that helps provide accessibility of banking services. First-Citizens Bank operates 596 automated teller machines (ATM) throughout the assessment areas. Overall, the ATMs are well disbursed and accessible to low- and moderate-income areas. The level ATMs in the low-income tracts is below the percentage

of the population in those tracts; however, the moderate-income tract ATMs are comparable to the population. All of the bank's ATMs are bi-lingual (English and Spanish) and are equipped with ADA compliant audio. Of the 596 ATMs, 462 accept deposits using image enabled technology, and 129 are remote and not co-located at a branch. Three quarters of the remote ATMs are located inside various locations, including military installations, hospitals, colleges, and casinos, which are not readily accessible to the general public. The remaining remote ATMs are located inside locations, such as grocery and convenience stores and are accessible to the general public.

The bank offers additional alternative delivery systems that are available to all customers. These alternative delivery systems include online banking, automated telephone banking, retail and business customer support centers, and mobile banking. Online banking and automated telephone banking are available 24/7 for both commercial customers and consumers. These systems provide the ability to check account balances, place stop payments, verify deposits, verify debits posted to accounts, reorder checks, transfer funds, and make loan payments.

The Customer Care Center may be reached by telephone seven days a week from 7:00 a.m. to 11:00 p.m. ET. A Hispanic customer service line is available during the hours previously noted. Business Customer Support may be reached by telephone Monday through Friday from 8:00 a.m. to 8:00 p.m. ET and Saturday from 10:00 a.m. to 2:00 p.m. ET. Interactive Voice Responses (IVR) is used for calls to the bank and offers some self-service capabilities. IVR is available in both English and Spanish.

The bank offers several mobile banking products to all customers. First-Citizens Digital Banking allows customers to view balances, transaction history and cleared checks, transfer money between accounts, view and pay bills, e-bills, and pending payments and send, request, and receive money with an email address or mobile number with the Pay People option. Text Banking allows customers to view account balances and recent transactions and find branches and ATMs anytime by sending simple text commands. Digital Wallet provides customers a way to carry debit or credit cards in digital form on a mobile device to use for transactions. Digital Wallet is free to use.

For business customers, the bank offers Remote Image Deposit. Remote Image Deposit allows business customers to make imaged-based, paperless check deposits without leaving their location. This service offers extended deposit deadlines.

The bank also offers a multi-lingual Tele-Interpreter Service Line at all branches. The service offers interpreters fluent in more than 177 languages to help branch staff assist customers.

Overall, the additional alternative delivery systems enhance the accessibility of the bank's financial services and are consistent throughout each rated area and assessment area. Therefore, the Service Test conclusions for each rated area and full-scope review assessment area omit further discussion of the additional alternative delivery systems.

Changes in Branch Locations

To the extent changes have been made, First-Citizens Bank's opening and closing of branches overall has not adversely affected the accessibility of its delivery systems, particularly in low- and

moderate-income geographies and/or to low- and moderate-income individuals. Since the previous evaluation, the bank opened 55 branches, with 29 branches being the result of merger activity. Of the 55 branches opened, 8 or 14.5 percent were located in low- or moderate-income tracts. Additionally, the bank closed 82 branches, including 3 branch divestitures. Of the 82 branches closed, 17 or 20.7 percent were located in low- or moderate-income tracts. These closures did not have a significant adverse impact on the bank's performance under this criterion given that the closures did not disproportionately affect the accessibility of delivery systems in low- and moderate-income geographies. Additionally, for the closures in low- and moderate income tracts, First-Citizens Bank operates at least one branch within close proximity that can reasonably serve the low- and moderate-income areas. As shown in the table below, the net effect was a decrease of 3 branches in low-, 6 branches in moderate-, 13 branches in middle-, and 2 branches in upper-income tracts. Additionally, a decrease of 3 branches occurred in non-designated income tracts. The changes in branch location are only discussed within the rated areas and full-scope assessment areas in which changes occurred.

Net Distribution of Branch Openings/Closings							
Rated Area	# of Branch Openings	# of Branch Closings	Income Level of Census Tract (+/-)				
			Low	Moderate	Middle	Upper	NA
North Carolina	14	18	0	-4	+2	0	-2
South Carolina	9	20	0	-1	-6	-4	0
Virginia	2	6	0	-1	-2	-1	0
California	4	4	-1	0	0	+1	0
Florida	10	9	0	0	-1	+2	0
Georgia	6	5	0	+1	+1	-1	0
Texas	4	3	0	+1	0	0	0
Arizona	1	1	0	0	0	+1	-1
Washington	2	2	0	0	+1	-1	0
Colorado	0	0	0	0	0	0	0
Tennessee	0	0	0	0	0	0	0
Wisconsin	1	6	-2	0	-4	+1	0
New Mexico	0	0	0	0	0	0	0
Oklahoma	1	1	0	-1	0	+1	0
West Virginia	0	1	0	0	-1	0	0
Maryland	0	0	0	0	0	0	0
Charlotte-Concord-Gastonia NC-SC Multi-State MSA	0	4	0	-1	-2	-1	0
Myrtle-Beach-Conway-North Myrtle Beach SC-NC Multi-State MSA	0	0	0	0	0	0	0
Augusta-Richmond GA-SC Multi-State MSA	1	2	0	0	-1	0	0
Portland-Vancouver-Hillsboro, OR-WA Multi-State MSA	0	0	0	0	0	0	0
Kansas City KS-MO Multi-State MSA	0	0	0	0	0	0	0
Total	55	82	-3	-6	-13	-2	-3
<i>Source: Bank Data</i>							

Reasonableness of Business Hours and Services

Services and business hours do not vary in a way that inconveniences certain portions of the assessment areas, particularly low- and moderate-income geographies, or individuals. First-Citizens Bank offers a full range of consumer and commercial loan and deposit products through its branch network designed to meet the banking needs of local communities. Each branch offers the same products and services. Business hours are generally 9:00 a.m. to 5:00 p.m. on Monday through Thursday and 9:00 a.m. to 6:00 p.m. on Friday, with some locations open on Saturday. Performance in this criterion is consistent throughout each rated area and related assessment areas. Therefore, the Service Test conclusions for each rated area and full-scope review assessment area omit further discussion of this performance criteria.

The bank continues to offer the Sure Advantage deposit account designed for those who historically would not have qualified for a traditional checking account. The account offers a low opening balance, no monthly balance requirement, low maintenance fees, and is convertible to a traditional deposit account with additional benefits. Additionally, the bank offers deposit accounts for active duty military personnel and full-time National Guard and reserve members. These accounts offer no minimum opening deposit and no fees with direct deposit. Other deposit products offered by the bank include free checking and free business checking accounts which offer unlimited check writing, no monthly service fee, and no minimum balance requirements.

Community Development Services

First-Citizens Bank provided a relatively high level of community development services. Employees and Board members used their financial and banking expertise to provide 1,605 instances for 26,119 hours of service. Bank management and employees provide financial advice and assistance to organizations with missions consistent with the definition of community development. The type and level of assistance provided varied with each employee and organization but generally is on-going for multiple years, as many hold positions on the Board or committees of the organizations. The organizations served provide an array of services to low- and moderate-income individuals, small business, and small farms. The organizations' missions include economic development, small business development, education, healthcare, and basic human needs for low- and moderate-income individuals and areas. Refer to the discussions of community development services within the rated areas and full-scope assessment areas for additional details and examples.

In addition, the bank provided a small dollar loan program during the evaluation period that benefited low- and moderate-income individuals. The bank originated 13 loans from 2019 through 2021. The small dollar loan amount ranges from \$500 to \$1,000 with a maximum payment terms of 12 months.

Community Development Services										
Rated Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	Hours	#	Hours	#	Hours	#	Hours	#	Hours
North Carolina	75	761	337	6,941	67	1,246	57	621	536	9,569
South Carolina	39	612	156	3,270	54	1,293	32	449	281	5,624
Virginia	13	76	101	1,793	60	887	15	115	189	2,871
California	2	36	29	617	22	140	9	11	62	804
Florida	2	12	46	894	42	178	8	9	98	1,093
Georgia	3	64	29	223	24	75	3	111	59	473
Texas	3	61	9	74	6	13	6	13	24	161
Arizona	0	0	6	336	3	5	3	4	12	345
Washington	1	24	7	109	4	49	6	14	18	196
Colorado	0	0	5	218	8	166	1	1	14	385
Tennessee	0	0	4	22	30	125	4	6	38	153
Wisconsin	2	4	34	245	8	348	2	2	46	599
New Mexico	0	0	0	0	7	70	3	22	10	92
Oklahoma	1	60	8	119	4	5	2	4	15	188
West Virginia	0	0	8	380	2	25	2	13	12	418
Maryland	0	0	2	28	2	4	1	3	5	35
Charlotte-Concord-Gastonia NC-SC Multi-State MSA	6	32	64	1,489	30	637	16	64	116	2,222
Myrtle-Beach-Conway-North Myrtle Beach SC-NC Multi-State MSA	2	5	10	276	6	207	2	3	20	491
Augusta-Richmond GA-SC Multi-State MSA	2	3	6	56	11	169	4	7	23	235
Portland-Vancouver-Hillsboro, OR-WA Multi-State MSA	0	0	2	2	6	11	3	6	11	19
Kansas City KS-MO Multi-State MSA	1	1	1	48	14	97	0	0	16	146
Total	152	1,751	864	17,140	410	5,750	179	1,478	1,605	26,119

Source: Bank Data

Community Development Services										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	Hours	#	Hours	#	Hours	#	Hours	#	Hours
2019	70	691	251	4521	116	1318	16	293	453	6823
2020	35	332	258	5037	136	1665	62	466	491	7500
2021	47	728	355	7582	158	2767	101	719	661	11796
Total	152	1,751	864	17,140	410	5,750	179	1,478	1,605	26,119

Source: Bank Data

DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

The bank's compliance with the laws relating to discrimination and other illegal credit practices was reviewed, including the Fair Housing Act and the Equal Credit Opportunity Act. Examiners did not identify any discriminatory or other illegal credit practices.”

NORTH CAROLINA

CRA RATING FOR NORTH CAROLINA: SATISFACTORY

The Lending Test is rated: High Satisfactory

The Investment Test is rated: Low Satisfactory

The Service Test is rated: High Satisfactory

DESCRIPTION OF INSTITUTION'S OPERATIONS IN NORTH CAROLINA

The evaluation of the North Carolina performance considered the operations of First-Citizens Bank in 15 assessment areas, which are detailed in the Description of Assessment Areas. Changes in branch locations, mergers, or acquisitions since the last evaluation have not affected the assessment areas in North Carolina. However, due to OMB changes in 2020, Harnett County was removed from the NC Non-MSA assessment area and added to the Fayetteville MSA assessment area. As such, examiners evaluated the bank's lending performance in Harnett County under the NC Non-MSA in 2019 and under the Fayetteville MSA in 2020 and 2021. The bank operates 192 or 36.6 percent of its branch offices in North Carolina. North Carolina accounts for 38.5 percent of bank-wide loans by dollar volume, 40.2 percent of loans by number, and 43.2 percent of the bank-wide deposits. Overall, First-Citizens Bank ranks 4th in the state in deposit market share at 4.9 percent. Competitor institutions in the assessment areas include Bank of America, NA; Truist Bank; and Wells Fargo Bank, NA. Together, the three competitor institutions account for 74.2 percent of the market share.

SCOPE OF EVALUATION – NORTH CAROLINA

Examiners conducted full-scope reviews of performance in the NC Non-MSA, Raleigh MSA, Asheville MSA, and Durham MSA assessment areas. A significant portion of the loans (64.0 percent), deposits (64.1 percent), and branches (61.5 percent) in North Carolina are concentrated in these assessment areas. The overall conclusions, analysis, and ratings for North Carolina are predicated primarily on performance within these four assessment areas. Overall, the NC Non-MSA assessment area accounts for the highest level of lending, deposit, and branching operations in North Carolina. Therefore, the NC Non-MSA assessment area received more weight in the overall conclusions and rating for North Carolina. The Raleigh MSA assessment area also accounts for significant operations in the state and was afforded secondary weight in the assessment of North Carolina performance followed by the Asheville MSA assessment area. The Durham MSA assessment area received lesser weight. Limited-scope reviewed areas included the Wilmington, Greensboro, Hickory, Fayetteville, Goldsboro, Greenville, Jacksonville, New Bern, Rocky Mount, Winston-Salem, and Virginia Beach MSA assessment areas. Similar to the Durham MSA assessment area, the Wilmington MSA and Greensboro MSA assessment areas received lesser weight, with the remaining limited-scope assessment areas receiving limited weight.

Home mortgage and small business lending constitute the primary loan types in North Carolina by number of loans. Home mortgage loans account for 44.1 percent and small business loans account for 52.8 percent of the number of loans originated in North Carolina, with home mortgage loans

representing 60.2 percent of lending and small business lending representing 37.6 percent by dollar volume. However, the product mix and weighting varied within the full-scope assessment areas, with small business loans as the primary product in the Asheville MSA and NC Non-MSA assessment areas, and home mortgage loans being the primary product in the Durham MSA assessment area. Home mortgage and small business lending carried equal weighting in the Raleigh MSA assessment area. Small farm loans were only analyzed in the Raleigh MSA and NC Non-MSA assessment areas as there were a nominal number and dollar volume of small farm loans in the other North Carolina assessment areas. However, even in the Raleigh MSA and NC Non-MSA assessment areas, small farms loans carried limited weight due to there being significantly fewer originations of this loan type.

CONCLUSIONS ON PERFORMANCE CRITERIA IN NORTH CAROLINA

LENDING TEST

The Lending Test rating for North Carolina is High Satisfactory. Lending levels reflect good responsiveness to North Carolina assessment areas' credit needs. The geographic distribution reflects adequate penetration throughout the assessment areas, and the borrower profile reflects good distribution of lending to borrowers of different incomes and businesses and farms of different sizes. The institution uses innovative and/or flexible lending practices and is a leader in providing community development loans. Lending performance in the full-scope assessment areas is consistent overall with the exception of the Durham MSA assessment area.

Lending Activity

Lending levels reflect good responsiveness to North Carolina assessment areas' credit needs. The tables presented in each assessment area detail the number and dollar volume of home mortgage, small business, and small farm loans, as applicable, originated in 2020.

Geographic Distribution

The overall geographic distribution of home mortgage, small business, and small farm loans is adequate.

The geographic distribution of both home mortgage loans and small business loans reflects adequate performance, while small farm lending reflects good performance. Overall, performance in the Raleigh MSA and Asheville MSA assessment areas was consistent with good performance, and the remaining two full-scope assessment areas were considered adequate.

Borrower Profile

The overall distribution of home mortgage loans to borrowers of different incomes and small business and small farm loans to businesses and farms of different sizes is good.

The distribution of home mortgage loans among borrowers of different income levels is adequate with small business lending to businesses of different sizes considered good. Small farm lending to

farms of different sizes is excellent. Overall, the full-scope assessment areas reflect good performance, with the exception of the Durham MSA assessment area, which is considered adequate.

Community Development Loans

First-Citizens Bank is a leader in providing community development loans in North Carolina. During this evaluation period, the bank originated 156 community development loans totaling \$293.9 million. This represents 28.4 percent by number and 34.1 percent by dollar volume of total bank-wide community development loans. Three loans totaling \$4.7 million were originated outside the assessment areas but within the broader state-wide area. Since the bank has been responsive to community development needs and opportunities within its assessment areas, the loans were included. The analysis for each full-scope assessment area includes a detailed discussion of community development loans. Overall, the full-scope assessment areas provide consistent community development lending performance, with the exception of the Durham MSA assessment area, which is considered adequate. Below are the three community development loans originated in the broader state-wide area.

- \$569,000 loan to construct an industrial building to be used as an exchange center in a moderate-income geography. The development will help to stabilize and revitalize the area and provide jobs for low- and moderate-income individuals.
- \$2.3 million loan to fund LIHTCs for an affordable housing project.
- \$1.8 million loan to construct a medical office facility in a moderate-income tract that will help to stabilize and revitalize the area

INVESTMENT TEST

The Investment Test performance is rated Low Satisfactory. First-Citizens Bank has an adequate level of qualified investments in North Carolina. The bank exhibits good responsiveness to credit and community development needs and occasionally uses innovative and/or complex investments to support community development initiatives. Performance varied within the full-scope assessment areas.

Investment and Grant Activity

The bank has an adequate level of qualified investments, donations, and grants at \$70.9 million in North Carolina. This represents 10.9 percent of total bank-wide qualified investments. Investments since the prior evaluation include six fund investments totaling \$28.0 million in the two large national LIHTC syndicators; three fund investments in the non-profit syndicator totaling \$7.3 million; investments in four GNMA multi-family MBS totaling \$17.3 million; one certificate of deposit of \$250,000 held at an MDI headquartered in North Carolina; and 666 donations or grants totaling approximately \$2.7 million. Prior period investments total \$9.4 million for affordable housing projects. Additionally, \$6.1 million in nationwide investments are attributed to the North Carolina assessment areas. Please refer to each full-scope assessment area for examples.

SERVICE TEST

The Service Test rating is High Satisfactory in North Carolina. First-Citizens Bank’s delivery systems are accessible to essentially all portions of the assessment areas, and the opening and closing of branches has not adversely affected the accessibility of its delivery systems, particularly with respect to low- and moderate-income geographies or individuals. Services and business hours do not vary in a way that inconveniences certain portions of the assessment areas, particularly low- and moderate-income geographies, or individuals. The bank provided a relatively high level of community development services. The bank’s performance is consistent across the full-scope assessment areas, with the exception of the Durham MSA assessment area.

Accessibility of Delivery Systems

Delivery systems are accessible to essentially all portions of the North Carolina assessment areas. The conclusions regarding the accessibility of delivery systems for the North Carolina rated area are consistent with the institution overall. The bank operates 189 full-service and 3 limited-service branches in North Carolina. The level of branching within low- and moderate-income tracts is comparable to the percentage of the population in those tracts. Additionally, the bank operates 279 ATMs in North Carolina, with 10 in low-income tracts (3.6 percent) and 59 in moderate-income tracts (21.1 percent). The branch distribution by geography income level is shown in the following table.

North Carolina - Branch Distribution by Geography Income Level						
Tract Income Level	Census Tracts		Population		Branches	
	#	%	#	%	#	%
Low	77	5.4	287,521	4.4	11	5.7
Moderate	287	20.1	1,307,387	19.9	34	17.7
Middle	655	45.8	3,230,114	49.1	98	51.1
Upper	384	26.9	1,725,490	26.2	48	25.0
NA	27	1.9	27,187	0.4	1	0.5
Total	1,430	100.0	6,577,699	100.0	192	100.0
<i>Source: 2015 ACS Data and Bank Data</i>						

Changes in Branch Locations

To the extent changes have been made, the institution’s opening and closing of branches has not adversely affected the accessibility of delivery systems, particularly in low- and moderate-income geographies and/or to low- and moderate-income individuals. Since the previous evaluation, the bank has opened or acquired 14 branches and closed or divested of 18 branches throughout North Carolina. As shown in the table below, the net effect was a decrease of four branches in moderate-income tracts and two branches in non-designated income tracts. Additionally, there was an increase of two branches in middle-income tracts, with one in a distressed and/or underserved tract. With the exception of one moderate-income tract where a branch was closed, First-Citizens Bank operates branches within 0.5 to 3.0 miles of the branches closed within the moderate-income and middle-income distressed and/or underserved tracts, which can reasonably serve the residents of

those tracts. Additional details of changes in branch locations are contained within the rated areas and full-scope assessment areas in which changes occurred.

Net Distribution of Branch Openings/Closings							
Assessment Area	# of Branch Openings	# of Branch Closings	Income Level of Census Tract (+/-)				
			Low	Moderate	Middle	Upper	NA
Asheville MSA	3	2	0	0	+1	0	0
Durham MSA	1	1	0	0	+1	0	-1
Fayetteville MSA	0	1	0	0	0	0	-1
Goldensboro MSA	0	0	0	0	0	0	0
Greensboro MSA	0	2	0	-2	0	0	0
Greenville MSA	0	1	0	-1	0	0	0
Hickory MSA	0	0	0	0	0	0	0
Jacksonville MSA	0	0	0	0	0	0	0
New Bern MSA	1	1	0	0	0	0	0
Raleigh MSA	0	3	0	-1	-1	-1	0
Rocky Mount MSA	0	0	0	0	0	0	0
Virginia Beach MSA	0	0	0	0	0	0	0
Wilmington MSA	0	1	0	0	0	-1	0
Winston-Salem MSA	0	1	0	0	-1	0	0
NC Non-MSA	9	5	0	0	+2	+2	0
Total	14	18	0	-4	+2	0	-2
<i>Source: Bank Data</i>							

Community Development Services

First-Citizens Bank provided a relatively high level of community development services in North Carolina. Bank employees and Board members provided 536 instances for 9,569 hours of community development service in North Carolina. These services equate to 0.9 instances and 16.6 hours of community development service per branch per year. This performance represents 36.6 percent of the bank-wide community development services by number of hours. The level of community development service is consistent with the percentage of branches within the North Carolina at 36.6 percent. Employees are involved in community development organizations that primarily provide economic development and community services for low- and moderate-income individuals and areas. The bank provided 432 community development services at the prior evaluation. Refer to each full-scope assessment area for examples.

Community Development Services										
Assessment Area/Rated Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	Hours	#	Hours	#	Hours	#	Hours	#	Hours
Asheville C MSA	5	132	80	1,237	7	164	0	0	92	1,533
Durham MSA	3	4	11	230	0	0	2	3	16	237
Fayetteville MSA	0	0	14	284	1	24	3	4	18	312
Goldensboro MSA	4	61	9	192	1	30	1	1	15	284
Greensboro MSA	13	81	15	256	8	421	5	6	41	764
Greenville MSA	6	60	14	269	2	38	1	1	23	368
Hickory MSA	1	12	24	423	6	25	4	4	35	464
Jacksonville MSA	2	8	5	117	0	0	2	5	9	130
New Bern MSA	2	24	3	49	2	6	1	1	8	80
Raleigh-Cary MSA	10	112	63	1,699	19	239	9	16	101	2,066
Rocky Mount MSA	1	1	0	0	0	0	1	1	2	2
Virginia Beach MSA	0	0	2	6	2	3	0	0	4	9
Wilmington MSA	8	189	21	618	2	36	0	0	31	843
Winston-Salem MSA	10	20	27	574	4	38	4	6	45	638
NC Non-MSA	10	57	49	987	13	222	24	573	96	1,839
North Carolina	75	761	337	6,941	67	1,246	57	621	536	9,569
<i>Source: Bank Data</i>										

NC NON-MSA ASSESSMENT AREA – Full-Scope Review

DESCRIPTION OF INSTITUTION’S OPERATIONS IN THE NC NON-MSA ASSESSMENT AREA

The NC Non-MSA assessment area includes 34 counties in North Carolina. Since the last evaluation, Harnett County became part of the Fayetteville MSA assessment area in 2020 due to OMB changes. The bank operates 58 or 30.2 percent of its North Carolina branch offices in the NC Non-MSA assessment area. The assessment area also accounts for 22.2 percent of the bank’s state-wide loans and 25.3 percent of its state-wide deposits. Small business and home mortgage loans account for 54.5 percent and 37.6 percent, respectively, of the number of loans originated in the assessment area; thus small business loans received more weight in the overall analysis.

Economic and Demographic Data

The assessment area consists of 357 tracts, including 6 low-income tracts, 56 moderate-income tracts, 203 middle-income tracts, and 88 upper-income tracts. Four tracts have no income designation. The FFIEC has designated certain Non-MSA assessment area middle-income tracts as distressed and/or underserved. The designations for distressed tracts are based on high unemployment, high poverty, and significant population losses. The designations for underserved tracts are based on areas being rural and remote. A total of 158, or 77.8 percent, of the 203 middle-income tracts in the NC Non-MSA assessment area have been designated as distressed and/or underserved during the evaluation period. The following table presents demographic information from the 2015 ACS Census and 2020 D&B data.

Demographic Information for the NC Non-MSA Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	357	1.7	15.7	56.9	24.6	1.1
Population by Geography	1,455,057	0.8	15.8	61.2	22.1	0.0
Housing Units by Geography	750,175	0.8	14.1	60.3	24.9	0.0
Owner-Occupied Units by Geography	397,570	0.2	12.8	62.8	24.2	0.0
Occupied Rental Units by Geography	175,156	2.1	21.1	57.2	19.6	0.0
Vacant Units by Geography	177,449	0.9	9.9	57.7	31.5	0.0
Businesses by Geography	96,841	0.8	15.4	56.6	27.2	0.0
Farms by Geography	6,101	0.1	12.9	66.3	20.7	0.0
Family Distribution by Income Level	380,295	21.1	17.8	19.5	41.6	0.0
Household Distribution by Income Level	572,726	24.9	15.6	17.2	42.3	0.0
Median Family Income NC Non-MSA	\$47,217	Median Housing Value				\$143,878
		Median Gross Rent				\$683
		Families Below Poverty Level				15.3%

Source: 2015 ACS and 2020 D&B Data
Due to rounding, totals may not equal 100.0 percent.
(*) The NA category consists of geographies that have not been assigned an income classification.

The Geographic Distribution criterion compares home mortgage loans to the distribution of owner-occupied housing units and compares small business and small farm loans to the level of businesses and farms located in low-, moderate-, middle-, and upper-income tracts. The 2015 ACS data shows a vast majority of owner-occupied housing units and businesses are within the middle- and upper-income tracts, indicating most of the lending opportunities will be in these geographies. The moderate-income tracts contain a fair level of owner-occupied housing units, businesses, and farms, while significantly fewer opportunities are indicated in the low-income tracts.

The FFIEC updated NC Non-MSA median family incomes (MFI) were used to analyze home mortgage loans under the Borrower Profile criterion. The following table presents each income category.

NC Non-MSA – Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
2019 (\$51,600)	<\$25,800	\$25,800 to <\$41,280	\$41,280 to <\$61,920	≥\$61,920
2020 (\$53,700)	<\$26,850	\$26,850 to <\$42,960	\$42,960 to <\$64,440	≥\$64,440
2021 (\$55,300)	<\$27,650	\$27,650 to <\$44,240	\$44,240 to <\$66,360	≥\$66,360

Source: FFIEC

The analysis of home mortgage lending by borrower income uses families by income level as a comparison to bank performance. The median housing value is \$143,878, and prices are continuing to rise due to the current economic conditions, which can potentially make housing increasingly

unaffordable for low-income individuals. Therefore, lending opportunities to low-income families may be limited.

The analysis of small business and small farm loans under the Borrower Profile criterion compares the distribution of lending by gross annual revenue. The D&B 2020 distribution of businesses and farms based on gross annual revenues is listed below.

Distribution of Small Business and Farms by Gross Annual Revenue Category NC Non-MSA Assessment Area		
Gross Revenue Level	% of Businesses	% of Farms
<=\$1,000,000	85.0	96.4
>\$1,000,000	4.1	1.9
Revenue Not Available	10.9	1.7
Totals	100.0	100.0
<i>Source: 2020 D&B Data.</i>		

In 2020, the top industries in the assessment area were Services; Retail Trade; Construction; and, Finance, Insurance, and Real Estate. A total of 89.4 percent of businesses in the assessment area had fewer than 10 employees. Top employers in the assessment area during the evaluation period were Wal-Mart Associates; Food Lion; Lowes Home Centers; McDonalds; and Smithfield Foods, all with over 1,000 employees.

Unemployment rates increased sharply in 2020 due to the COVID-19 pandemic. Unemployment rates dropped significantly in 2021; however, rates in Columbus, Graham, Halifax, Rutherford, Vance, Warren, and Wilson remain elevated above both state and national averages.

Unemployment Rates			
Area	2019	2020	2021
	%	%	%
Alleghany County	4.7	7.2	4.7
Ashe County	3.6	6.2	4.0
Avery County	3.6	6.3	4.0
Beaufort County	4.5	6.2	4.8
Bladen County	4.7	7.1	5.8
Carteret County	4.1	6.2	4.1
Cherokee County	4.4	7.8	5.0
Clay County	4.5	7.3	4.9
Columbus County	4.9	7.9	6.3
Duplin County	4.0	5.5	4.4
Graham County	5.3	9.6	6.9
Greene County	3.7	5.5	4.1
Halifax County	5.6	8.9	7.5
Jackson County	4.1	7.4	4.5
Lee County	4.4	7.9	5.4
Lenoir County	3.8	6.0	5.0
McDowell County	3.8	6.8	4.5
Macon County	3.9	6.6	4.2
Martin County	4.9	6.8	5.6
Moore County	3.8	7.2	4.6
Pasquotank County	4.5	7.2	5.4
Polk County	3.7	6.1	4.7
Rutherford County	4.8	9.1	6.5
Sampson County	3.8	5.7	4.5
Stanly County	3.7	6.2	4.4
Surry County	3.6	6.7	4.4
Swain County	3.9	8.2	4.6
Transylvania County	3.7	6.1	4.1
Vance County	5.7	9.9	7.9
Warren County	5.6	9.5	7.7
Watauga County	3.4	6.3	3.7
Wilkes County	4.0	6.7	4.7
Wilson County	5.7	8.7	6.7
Yancey County	3.7	6.5	4.3
North Carolina	3.8	7.2	4.8
National Average	3.7	8.1	5.2
<i>Source: Bureau of Labor Statistics</i>			

Competition

The assessment area is moderately competitive. According to the FDIC Deposit Market Share data as of June 30, 2021, 41 FDIC-insured institutions operate 358 branches within the assessment area.

Of these institutions, First-Citizens Bank ranked 2nd with a market share of 18.5 percent. Competitor institutions in the assessment area include Truist Bank, Wells Fargo Bank, NA, and First Bank. Together, the three competitor institutions account for 44.8 percent of the market share.

There is a moderate level of competition for small business loans within the assessment area. Aggregate data for 2020 shows 181 lenders reported 28,864 small business loans originated or purchased in the assessment area. Overall, First-Citizens Bank ranked 2nd with an 11.4 percent market share by number of loans and 2nd with a 17.9 percent market share by dollar volume. The five dominant small business lenders accounted for 40.8 percent of the total market share by number.

There is a higher level of competition for home mortgage loans among banks, credit unions, and non-depository mortgage lenders. Aggregate data for 2020 shows 734 lenders reported 55,855 residential mortgage loans originated or purchased in the assessment area. First-Citizens Bank ranked 5th with a market share of 3.3 percent. The five dominant home mortgage lenders accounted for 30.5 percent of total market share by number.

There is a moderate level of competition for small farm loans within the assessment area. Aggregate data for 2020 shows 35 lenders reported 1,516 small farm loans originated or purchased in the assessment area. Overall, First-Citizens Bank ranked 2rd with a 19.9 percent market share by number of loans. The five dominant small farm lenders accounted for 81.5 percent of the total market share by number.

Community Contact

As part of the evaluation process, examiners contact third parties active in the assessment area to assist in identifying the credit needs of the assessment area. This information helps identify credit and community development needs and whether local financial institutions are responsive to those opportunities. A community contact with an economic development organization was referenced within the NC Non-MSA assessment area. The contact noted that local banks are responsive to credit needs in the assessment areas. The contact also stated that manufacturing and hospitality industries were severely impacted by the pandemic and that credit needs include small business financing, particularly for property acquisition, construction costs, and start-up capital.

Credit and Community Development Needs and Opportunities

Examiners determined that small business and home mortgage loans represent primary credit needs for the assessment area. In particular, affordable home mortgage loans for low- and moderate-income families are needed as housing prices have risen sharply. In addition, the need for small business loans is supported by the community contact comments, a high percentage of businesses with four or fewer employees, and a majority of businesses reporting gross annual revenues of \$1 million or less.

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE NC NON-MSA ASSESSMENT AREA

LENDING TEST

Lending levels in the NC Non-MSA assessment area reflect good responsiveness to assessment area credit needs. The geographic distribution reflects adequate penetration throughout the assessment area, and the borrower profile reflects good distribution of loans among businesses of different sizes, borrowers of different income levels, and farms of different sizes. The institution uses innovative and/or flexible lending practices and is a leader in providing community development loans.

Lending Activity

Lending levels reflect good responsiveness to the assessment area’s credit needs. The tables presented below detail the number and dollar volume of 2020 small business, home mortgage, and small farm loans in the assessment area.

Geographic Distribution

The geographic distribution of loans is adequate.

Small Business Loans

The geographic distribution of small business loans reflects adequate penetration throughout the assessment area. Lending in low- and moderate-income tracts was slightly below demographics demographic data but comparable to aggregate lending data.

Geographic Distribution of Small Business Loans NC Non-MSA Assessment Area						
Tract Income Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
Low	0.8	0.5	15	0.4	666	0.2
Moderate	15.4	14.4	489	13.3	48,204	14.9
Middle	56.6	57.0	2,191	59.8	175,527	54.3
Upper	27.2	28.1	971	26.5	99,052	30.6
Totals	100.0	100.0	3,666	100.0	323,449	100.0
<i>Source: 2015 ACS; 2020 CRA Data; and, 2020 CRA Aggregate Data.</i>						

Home Mortgage Loans

The geographic distribution of home mortgage loans is adequate. Lending performance in low-income tracts was consistent with both demographic and aggregate lending data. In moderate-income tracts performance was well below demographic data but just below aggregate lending data.

Geographic Distribution of Home Mortgage Loans NC Non-MSA Assessment Area						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low	0.2	0.1	2	0.1	130	0.0
Moderate	12.8	6.5	93	5.0	14,732	3.9
Middle	62.8	52.3	1,020	54.7	176,351	46.0
Upper	24.2	41.1	748	40.1	191,879	50.0
Not Available	0.0	0.0	1	0.1	460	0.1
Totals	100.0	100.0	1,864	100.0	383,552	100.0

Source: 2015 ACS; 2020 HMDA Data; and, 2020 HMDA Aggregate Data

Small Farm Loans

The geographic distribution of small farm loans reflects good penetration throughout the assessment area. The bank made no small farm loans in low-income tracts, commensurate with aggregate data and the nominal percentage of small farms in the low-income tracts. However, the bank’s performance in moderate-income tracts was above both demographic and aggregate lending data.

Geographic Distribution of Small Farm Loans NC Non-MSA Assessment Area						
Tract Income Level	% of Farms	Aggregate Performance % of #	#	%	\$(000s)	%
Low	0.1	0.0	0	0.0	0	0.0
Moderate	12.9	16.2	70	17.6	6,622	16.7
Middle	66.3	69.3	292	73.6	27,060	68.2
Upper	20.7	14.5	35	8.8	5,969	15.1
Totals	100.0	100.0	397	100.0	39,651	100.0

Source: 2015 ACS; 2020 CRA Data; and, 2020 CRA Aggregate Data.

Borrower Profile

The distribution of small business loans to businesses of different sizes, home mortgage loans to borrowers of different incomes and small farm loans to farms of different sizes is overall good.

Small Business Loans

The distribution of small business loans reflects good penetration to businesses with gross annual revenues of \$1 million or less. Lending to small businesses was well above aggregate data but significantly below demographic data.

Distribution of Small Business Loans by Gross Annual Revenue Category NC Non-MSA Assessment Area						
Gross Revenue Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
<=\$1,000,000	85.0	41.1	1,905	52.0	106,031	32.8
>\$1,000,000	4.1	--	1,029	28.1	172,501	53.3
Revenue Not Available	10.9	--	732	20.0	44,917	13.9
Totals	100.0	100.0	3,666	100.0	323,449	100.0

Source: 2020 D&B Data; 2020 CRA Data; and, 2020 CRA Aggregate Data.
 "--" data not available.
 Due to rounding, totals may not equal 100.0 percent.

Home Mortgage Loans

The distribution of home mortgage loans reflects adequate penetration among borrowers of different incomes. Lending to low-income borrowers was significantly below the percent of low-income families; however, performance was comparable to aggregate lending data. Lending to moderate-income borrowers was also significantly below demographic data but was comparable to aggregate lending data.

Distribution of Home Mortgage Loans by Borrower Income NC Non-MSA Assessment Area						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low	21.1	2.1	45	2.4	2,735	0.7
Moderate	17.8	9.1	152	8.2	14,187	3.7
Middle	19.5	16.3	288	15.5	34,384	9.0
Upper	41.6	52.9	1,294	69.4	318,603	83.1
Not Available	0.0	19.7	85	4.6	13,644	3.6
Totals	100.0	100.0	1,864	100.0	383,552	100.0

Source: 2015 ACS; 2020 HMDA Data; and, 2020 HMDA Aggregate Data.
 Due to rounding, totals may not equal 100.0 percent.

Small Farm Loans

The distribution of small farm loans reflects excellent penetration among farms of different sizes. The bank's performance, while lower than demographics, substantially exceeds aggregate lending data.

Distribution of Small Farm Loans by Gross Annual Revenue Category NC Non-MSA Assessment Area						
Gross Revenue Level	% of Farms	Aggregate Performance % of #	#	%	\$(000s)	%
<=\$1,000,000	96.4	41.6	285	71.8	21,452	54.1
>\$1,000,000	1.9	--	87	21.9	17,286	43.6
Revenue Not Available	1.7	--	25	6.3	913	2.3
Totals	100.0	100.0	397	100.0	39,651	100.0
<i>Source: 2020 D&B Data; 2020 CRA Data; and, 2020 CRA Aggregate Data. "--" data not available. Due to rounding, totals may not equal 100.0 percent.</i>						

Community Development Loans

First-Citizens Bank is a leader in providing community development loans in the NC Non-MSA assessment area. The bank originated 56 community development loans totaling \$59.9 million. This amount represents 35.9 percent by number and 20.5 percent by dollar volume of community development loans originated within North Carolina. Regarding the community development purpose, 5 loans support affordable housing, 32 loans support community services, and 19 loans support revitalization or stabilization. The following are examples of community development loans originated in the NC Non-MSA assessment area.

- \$38.5 million loan, through a multi-bank participation loan, to a tribal casino enterprise located in a moderate-income census tract to fund expansion of business operations. As a result, jobs were created for low-and moderate -income individuals.
- \$4.5 million loan for affordable housing to rehab an existing 48-unit LIHTC multi-family property.
- Three lines of credit to a community development corporation that provides community services targeted to low-and moderate-income individuals.

INVESTMENT TEST

First-Citizens Bank has an adequate level of qualified investments in the assessment area. The bank exhibits good responsiveness to credit and community development needs and occasionally uses innovative and/or complex investments to support community development initiatives.

Investment and Grant Activity

The bank has an adequate level of qualified investments in the NC Non-MSA assessment area. Qualified investments total \$5.4 million or 7.6 percent of state-wide investments. Investments include \$1.0 million in two regionally-based investment funds supporting affordable housing projects in the assessment area. Additionally, the bank purchased a GNMA MBS, of which \$1.1 million supported an affordable housing project in this assessment area. Two prior period nationally based fund equity investments totaling \$3.2 million supported affordable housing and benefited this assessment area. In addition, the bank made 112 donations or grants totaling

\$136,571 for community development purposes. Of the donations or grants, \$8,150 benefited affordable housing, \$65,771 benefited community services, \$7,475 benefited economic development, and \$55,175 benefited organizations that utilized the funding to provide revitalization or stabilization efforts in distressed and/or underserved middle-income geographies. Provided below are examples of donations that benefited the assessment area.

- \$4,000 to an organization located in a distressed and underserved census tract that provides collaborative regional initiatives supporting the creation of new jobs, generating capital investments, and securing new business locations.
- From 2019 to 2021, the bank donated \$6,600 to various schools to provide assistance to students that primarily receive free or reduced lunch.

SERVICE TEST

First-Citizens Bank’s delivery systems are accessible to essentially all portions of the NC Non-MSA assessment area. The institution’s opening and closing of branches has not adversely affected the accessibility of its delivery systems. Services and business hours do not vary in a way that inconveniences certain portions of the assessment area, particularly low- and moderate-income geographies, or individuals. The bank provided an adequate level of community development services.

Accessibility of Delivery Systems

Delivery systems are accessible to essentially all portions of the assessment area. The conclusions regarding the accessibility of delivery systems for the assessment area are consistent with the institution overall and the North Carolina rated area. As shown in the table below, the branching distribution is consistent with the percentage of the population in the respective geographies. The bank also operates 77 ATMs in the assessment area, including 1 (1.3 percent) in a low-income tract and 16 (20.8 percent) in moderate-income tracts. Additionally, the locations of the bank’s branches enable them to reasonably serve census tracts with limited branch access.

Branch Distribution by Geography Income Level NC Non-MSA Assessment Area						
Tract Income Level	Census Tracts		Population		Branches	
	#	%	#	%	#	%
Low	6	1.7	12,299	0.9	1	1.7
Moderate	56	15.7	230,551	15.8	9	15.5
Middle	203	56.9	889,994	61.2	35	60.4
Upper	88	24.6	322,213	22.1	13	22.4
NA	4	1.1	0	0.0	0	0.0
Total	357	100.0	1,455,057	100.0	58	100.0

Source: 2015 ACS Data; Bank Data

Changes in Branch Locations

To the extent changes have been made, the institution's opening and closing of branches has not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and/or to low- and moderate-income individuals. Since the previous evaluation, the bank opened nine branches through merger activity. Six branches are located in middle-income tracts, and three branches are located in upper-income tracts. Additionally, the bank closed five branch locations, including three divestitures. Of the three branches divested, two were located in middle-income tracts and one in an upper-income tract. The remaining two branch closures were located in middle-income distressed tracts; however, First-Citizens Bank operates branches less than 0.5 miles from the branches to provide continued banking services.

Community Development Services

First-Citizens Bank provided an adequate level of community development services in the assessment area. Bank employees and Board members provided 96 instances for 1,839 hours of community development service. These services equate to 0.6 instances and 10.6 hours per branch per year. This performance accounts for 7.0 percent of the bank-wide community development services and 19.2 percent of state-wide community development services by number of hours. The level of community development services is below the percentage of branches within the assessment area at 11.0 percent bank-wide and 30.2 percent state-wide. The bank engaged in 74 instances of community development service at the previous evaluation. The following are examples of community development services provided.

- An employee serves on the Board and is Treasurer for an organization that provides affordable housing to low- and moderate-income families.
- An employee serves on the Board of a county community foundation and reviews applications for grants that are awarded to organizations that have a community development purpose.
- An employee serves as the secretary and Economic Development Committee member for an economic development agency dedicated to the revitalization and stabilization of low- and moderate-income areas.

RALEIGH MSA ASSESSMENT AREA – Full-Scope Review

DESCRIPTION OF INSTITUTION’S OPERATIONS IN THE RALEIGH MSA ASSESSMENT AREA

The Raleigh-Cary, NC MSA includes Franklin, Johnston, and Wake Counties, which the bank has delineated as the Raleigh MSA assessment area. There have been no changes to this assessment area since the prior evaluation. The bank operates 30 or 15.6 percent of its North Carolina branch offices in the Raleigh MSA assessment area. The assessment area also accounts for 22.2 percent of the state-wide loans and 23.7 percent of the state-wide deposits.

Economic and Demographic Data

The assessment area consists of 224 tracts, including 17 low-income tracts, 59 moderate-income tracts, 66 middle-income tracts, and 79 upper-income tracts. Three tracts have no income designation. The following table presents demographic information from the 2015 ACS Census and 2020 D&B data.

Demographic Information for the Raleigh MSA Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	224	7.6	26.3	29.5	35.3	1.3
Population by Geography	1,216,711	6.5	29.6	32.5	31.1	0.4
Housing Units by Geography	489,031	6.1	29.7	33.2	30.9	0.0
Owner-Occupied Units by Geography	295,478	3.0	26.6	35.2	35.2	0.0
Occupied Rental Units by Geography	154,647	11.5	34.3	30.3	24.0	0.0
Vacant Units by Geography	38,906	8.7	34.8	30.3	26.1	0.0
Businesses by Geography	136,588	4.3	23.5	33.3	38.8	0.2
Farms by Geography	3,405	4.7	27.8	39.9	27.5	0.0
Family Distribution by Income Level	306,186	22.3	17.4	19.2	41.2	0.0
Household Distribution by Income Level	450,125	23.1	17.2	17.8	41.9	0.0
Median Family Income - Raleigh-Cary, NC MSA		\$78,057	Median Housing Value			\$226,048
			Median Gross Rent			\$937
			Families Below Poverty Level			8.6%

*Source: 2015 ACS and 2020 D&B Data
Due to rounding, totals may not equal 100.0 percent.
(*) The NA category consists of geographies that have not been assigned an income classification.*

The Geographic Distribution criterion compares home mortgage loans to the distribution of owner-occupied housing units and compares small business and small farm loans to the percentage of businesses and farms located in low-, moderate-, middle-, and upper-income tracts. The 2015 ACS data shows that the majority of owner-occupied housing units and businesses are fairly similarly disbursed within the moderate-,

middle-, and upper-income census tracts indicating most of the lending opportunities will be in these geographies. Significantly fewer lending opportunities are indicated in the low-income tracts.

The FFIEC updated Raleigh-Cary MSA MFIs were used to analyze home mortgage loans under the Borrower Profile criterion. The following table presents each income category.

Raleigh MSA – Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
2019 (\$93,100)	<\$46,550	\$46,550 to <\$74,480	\$74,480 to <\$111,720	≥\$111,720
2020 (\$94,100)	<\$47,050	\$47,050 to <\$75,280	\$75,280 to <\$112,920	≥\$112,920
2021 (\$95,700)	<\$47,850	\$47,850 to <\$76,560	\$76,560 to <\$114,840	≥\$114,840
<i>Source: FFIEC</i>				

The analysis of home mortgage lending by borrower income uses families by income level as a comparison to bank performance. The median housing value is \$226,048, and prices are continuing to rise due to the current economic conditions, which can potentially make housing increasingly unaffordable for low-income individuals. Therefore, lending opportunities to low-income families may be limited.

The analysis of small business and small farm loans under the Borrower Profile criterion compares the distribution of lending by gross annual revenue. The D&B 2020 distribution of businesses and farms based on gross annual revenues is listed below.

Distribution of Small Business and Farms by Gross Annual Revenue Category Raleigh MSA Assessment Area		
Gross Revenue Level	% of Businesses	% of Farms
<=\$1,000,000	88.6	95.6
>\$1,000,000	3.4	2.4
Revenue Not Available	8.0	2.0
Totals	100.0	100.0
<i>Source: 2020 D&B Data.</i>		

In 2020, the top industries in the assessment area were Services; Finance, Insurance, and Real Estate; Retail Trade; and Construction. A total of 91.2 percent of businesses in the assessment area had fewer than 10 employees. Top employers in the assessment area during the evaluation period included Wake County Public School System, NC State University, Wake Med, and Amazon Fulfillment Services, all with over 1,000 employees.

Unemployment rates increased sharply in 2020 due to the COVID-19 pandemic. Unemployment rates dropped significantly in 2021, and rates in all three counties remain below state and national averages.

Unemployment Rates			
Area	2019	2020	2021
	%	%	%
Franklin County	4.0	6.6	4.7
Johnston County	3.6	6.2	4.2
Wake County	3.4	6.3	4.0
North Carolina	3.8	7.2	4.8
National Average	3.7	8.1	5.2
<i>Source: Bureau of Labor Statistics</i>			

Competition

The assessment area is highly competitive. According to the FDIC Deposit Market Share data as of June 30, 2021, 39 FDIC-insured institutions operate 268 branches within the assessment area. Of these institutions, First-Citizens Bank ranked 3rd with a market share of 12.7 percent. Competitor institutions in the assessment area include Wells Fargo Bank, NA, Truist Bank, and Bank of America, NA. Together, the three competitor institutions account for 53.4 percent of the market share.

There is a high level of competition for small business loans within the assessment area. Aggregate data for 2020 shows 201 lenders reported 39,606 small business loans originated or purchased. Overall, First-Citizens Bank ranked 5th with a 6.1 percent market share by number of loans and 2nd with an 11.5 percent market share by dollar volume. The five dominant small business lenders accounted for 50.2 percent of total market share by number.

There is a high level of competition for home mortgage loans among banks, credit unions, and non-depository mortgage lenders. Aggregate data for 2020 shows 716 lenders reported 109,764 residential mortgage loans originated or purchased in the assessment area. First-Citizens Bank ranked 10th with a market share of 2.0 percent. The five dominant home mortgage lenders accounted for 27.3 percent of total market share by number.

There is a moderate level of competition for small farm loans within the assessment area. Aggregate data for 2020 shows 22 lenders reported 246 small farm loans originated or purchased in the assessment area. Overall, First-Citizens Bank ranked 1st with an 18.7 percent market share by number of loans. The five dominant small farm lenders accounted for 72.0 percent of the total market share by number.

Community Contacts

As part of the evaluation process, examiners contact third parties active in the assessment area to assist in identifying the credit needs of the assessment area. This information helps identify credit and community development needs and whether local financial institutions are responsive to those opportunities. Two community contacts within the Raleigh MSA assessment area were referenced. The contacts were from community development and business economic development organizations. The economic development contact noted that Raleigh was rapidly growing and average home selling prices were over \$350,000, indicating a need for affordable housing. The

contacts also stated there is a need for small business financing and technical support for businesses as well as for additional affordable housing and government programs to subsidize homeownership, such as tax credits, grants, and down-payment assistance.

Credit and Community Development Needs and Opportunities

Examiners determined that small business and home mortgage loans represent primary credit needs for the assessment area. In particular, affordable home mortgage loans for low- and moderate-income families are needed as housing prices have risen sharply and continue to rise, as also supported by information provided by the community contact. In addition, small business loans are needed based on the community contact comment, a high percentage of businesses with four or fewer employees, and a majority of businesses reporting gross annual revenues of \$1 million or less.

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE RALEIGH MSA ASSESSMENT AREA

LENDING TEST

Lending levels in the Raleigh MSA assessment area reflect good responsiveness to assessment area credit needs. The geographic distribution reflects good penetration throughout the assessment area, and the borrower profile reflects good distribution of lending among borrowers of different income levels and small businesses and small farms of different sizes. The institution uses innovative and/or flexible lending practices and is a leader in making community development loans.

Lending Activity

Lending levels reflect good responsiveness to the assessment area's credit needs. The tables presented below detail the number and dollar volume of 2020 home mortgage, small business, and small farm loans in this assessment area.

Geographic Distribution

The geographic distribution is good.

Home Mortgage Loans

The geographic distribution of home mortgage loans is adequate. Lending in both low-income and moderate-income tracts was below demographic data but consistent with aggregate lending data.

Geographic Distribution of Home Mortgage Loans Raleigh MSA Assessment Area						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low	3.0	1.9	38	1.8	5,743	1.3
Moderate	26.6	19.5	390	18.2	56,916	12.8
Middle	35.2	36.8	623	29.0	112,262	25.2
Upper	35.2	41.8	1,096	51.0	271,320	60.8
Totals	100.0	100.0	2,147	100.0	446,241	100.0
<i>Source: 2015 ACS; 2020 HMDA Data; and, 2020 HMDA Aggregate Data Due to rounding, totals may not equal 100.0 percent.</i>						

Small Business Loans

The geographic distribution of small business loans reflects good penetration throughout the assessment area. Lending in low-income tracts was consistent with demographic and aggregate data, while lending in moderate-income tracts exceeded both demographic and aggregate lending data.

Geographic Distribution of Small Business Loans Raleigh MSA Assessment Area						
Tract Income Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
Low	4.3	4.1	113	4.3	14,828	5.0
Moderate	23.5	22.9	713	27.1	70,815	24.1
Middle	33.3	34.0	859	32.6	106,992	36.4
Upper	38.8	38.8	947	36.0	101,574	34.5
Not Available	0.2	0.1	1	0.0	127	0.0
Totals	100.0	100.0	2,633	100.0	294,336	100.0
<i>Source: 2015 ACS; 2020 CRA Data; and, 2020 CRA Aggregate Data Due to rounding, totals may not equal 100.0 percent.</i>						

Small Farm Loans

The geographic distribution of small farm loans reflects excellent penetration throughout the assessment area. Lending in low-income tracts was more than triple the demographic data and more than double the aggregate lending data. Lending in moderate-income tracts was nearly double demographic data and above aggregate lending data.

Geographic Distribution of Small Farm Loans Raleigh MSA Assessment Area						
Tract Income Level	% of Farms	Aggregate Performance % of #	#	%	\$(000s)	%
Low	4.7	7.4	11	17.7	1,964	30.7
Moderate	27.8	51.2	34	54.8	3,119	48.8
Middle	39.9	26.6	14	22.6	1,014	15.9
Upper	27.5	14.8	3	4.8	296	4.6
Totals	100.0	100.0	62	100.0	6,393	100.0
<i>Source: 2015 ACS; 2020 CRA Data; and, 2020 CRA Aggregate Data Due to rounding, totals may not equal 100.0 percent.</i>						

Borrower Profile

The distribution of home mortgage loans to borrowers of different incomes and small business and small farm loans to businesses and farms of different sizes is good.

Home Mortgage Loans

The distribution of home mortgage loans reflects adequate penetration among borrowers of different incomes. Lending to low-income borrowers was significantly below the percent of low-income families; however, the bank's performance is consistent with aggregate lending data. Lending to moderate-income borrowers was below both demographic and aggregate data.

Distribution of Home Mortgage Loans by Borrower Income Raleigh MSA Assessment Area						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low	22.3	6.4	131	6.1	14,411	3.2
Moderate	17.4	16.8	243	11.3	35,087	7.9
Middle	19.2	20.8	313	14.6	50,243	11.3
Upper	41.2	41.0	1,333	62.1	322,668	72.3
Not Available	0.0	15.0	127	5.9	23,833	5.3
Totals	100.0	100.0	2,147	100.0	446,241	100.0
<i>Source: 2015 ACS; 2020 HMDA Data; and, 2020 HMDA Aggregate Data. Due to rounding, totals may not equal 100.0 percent.</i>						

Small Business Loans

The distribution of small business loans reflects good penetration to businesses with gross annual revenues of \$1 million or less. Lending to small businesses was significantly below demographic data but was slightly above aggregate lending data.

Distribution of Small Business Loans by Gross Annual Revenue Category Raleigh MSA Assessment Area						
Gross Revenue Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
<=\$1,000,000	88.6	41.5	1,134	43.1	96,233	32.7
>\$1,000,000	3.4	--	669	25.4	129,646	44.0
Revenue Not Available	8.0	--	830	31.5	68,457	23.3
Totals	100.0	100.0	2,633	100.0	294,336	100.0
Source: 2020 D&B Data; 2020 CRA Data; and, 2020 CRA Aggregate Data. "--" data not available.						

Small Farm Loans

The distribution of small farm loans reflects excellent penetration among farms of different sizes. The bank's performance, while lower than demographics, significantly exceeds aggregate data.

Distribution of Small Farm Loans by Gross Annual Revenue Category Raleigh MSA Assessment Area						
Gross Revenue Level	% of Farms	Aggregate Performance % of #	#	%	\$(000s)	%
<=\$1,000,000	95.6	50.0	41	66.1	2,827	44.2
>\$1,000,000	2.4	--	20	32.3	3,563	55.7
Revenue Not Available	2.0	--	1	1.6	3	0.0
Totals	100.0	100.0	62	100.0	6,393	100.0
Source: 2020 D&B Data; 2020 CRA Data; and, 2020 CRA Aggregate Data. "--" data not available. Due to rounding, totals may not equal 100.0 percent.						

Community Development Loans

First-Citizens Bank is a leader in making community development loans in the Raleigh MSA assessment area. The bank originated 24 community development loans totaling \$55.9 million, representing 15.4 percent by number and 19.1 percent by dollar volume of community development loans originated within North Carolina. Regarding the community development purpose, 6 loans support affordable housing, 12 loans support community services, and 6 loans support revitalization or stabilization. Examples of community development loans follow.

- \$19.3 million loan to construct a medical office building in a moderate-income census tract that serves to revitalize and stabilize the geography by helping to retain and attract businesses and residents and provide jobs.
- Two lines of credit for \$12 million and \$8 million for a CDFI that provides community development financing for affordable housing properties.

INVESTMENT TEST

First-Citizens Bank has an adequate level of qualified investments in the assessment area. The bank exhibits good responsiveness to credit and community development needs and occasionally uses innovative and/or complex investments to support community development initiatives.

Investment and Grant Activity

The bank has an adequate level of qualified investments in the Raleigh MSA assessment area. Qualified investments total \$8.2 million or 11.6 percent of North Carolina qualified investments. Investments include \$750,000 in one new regionally-based investment fund supporting affordable housing projects in the assessment area. Three prior period nationwide equity investments supporting affordable housing, which totaled \$4.7 million, benefited this assessment area. Additionally, a prior period, regionally-based, equity investment supporting economic development totaling \$1.5 million benefited this assessment area. Furthermore, the bank made 121 donations or grants totaling \$1.4 million. Of the donations or grants, \$33,500 benefited affordable housing, \$1.2 million benefited community services, and \$118,300 benefited economic development. Provided below are examples of donations that benefited the assessment area.

- \$11,000 to a non-profit organization that provides community services to families through programs targeted to benefit low- and moderate-income families.
- \$50,000 to an organization that promotes economic development and social welfare.

SERVICE TEST

First-Citizens Bank's delivery systems are accessible to essentially all portions of the Raleigh MSA assessment area. The institution's opening and closing of branches has generally not adversely affected the accessibility of its delivery systems. Services and business hours do not vary in a way that inconveniences certain portions of the assessment area, particularly low- and moderate-income geographies, or individuals. The bank provided a relatively high level of community development services.

Accessibility of Delivery Systems

Delivery systems are accessible to essentially all portions of the assessment area. The conclusions regarding the accessibility of delivery systems for the assessment area are consistent with the institution overall and the North Carolina rated area. Overall, as shown in the table below, the branching distribution is more favorable than the percentage of the population in low-income tracts and consistent with the percentage of the population in moderate-income tracts. The bank also operates 38 ATMs in the assessment area with 2 (5.3 percent) in low-income tracts and 12 (31.6 percent) in moderate-income tracts.

Branch Distribution by Geography Income Level Raleigh MSA Assessment Area						
Tract Income Level	Census Tracts		Population		Branches	
	#	%	#	%	#	%
Low	17	7.6	78,622	6.4	3	10.0
Moderate	59	26.3	359,763	29.6	9	30.0
Middle	66	29.5	395,245	32.5	9	30.0
Upper	79	35.3	378,642	31.1	9	30.0
NA	3	1.3	4,439	0.4	0	0.0
Total	224	100.0	1,216,711	100.0	30	100.0
<i>Source: 2015 ACS Data and Bank Data</i>						

Changes in Branch Locations

To the extent changes have been made, the institution’s opening and closing of branches has not generally adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and/or to low- and moderate-income individuals. Since the previous evaluation, the bank closed three branches, with one each in a moderate-, middle-, and upper-income tracts. The branch closure in the moderate-income tract is located approximately 3.1 and 2.6 miles from the nearest two branches, which are located in upper-income tracts. These branches can reasonably serve the low- and moderate-income geographies and individuals affected by the moderate-income branch closure.

Community Development Services

First-Citizens Bank provided a relatively high level of community development services in the assessment area. Bank employees and Board members provided 101 instances for 2,066 hours of community development service. These services equate to 1.1 instances and 23.0 hours of community development service per branch per year. This performance accounts for 7.9 percent of the bank-wide community development services and 21.6 percent of state-wide community development services by number of hours. The level of community development services is above the percentage of branches within the assessment area at 5.7 percent bank-wide and 15.6 percent state-wide. The bank engaged in 66 instances of community development service at the previous evaluation. The following are examples of community development services provided.

- An employee serves on the Board of a foundation that provides healthcare services to under-insured and uninsured breast cancer patients.
- An employee is on the Board of a lending consortium that offers financing for multi-family communities, where the rents are below 60.0 percent of the median family income.

ASHEVILLE MSA ASSESSMENT AREA – Full-Scope Review

DESCRIPTION OF INSTITUTION’S OPERATIONS IN THE ASHEVILLE MSA ASSESSMENT AREA

The Asheville MSA assessment area comprises the entire Asheville, NC MSA, which consists of Buncombe, Haywood, Henderson, and Madison Counties. There have been no changes to this assessment area since the prior evaluation. The bank operates 22 or 11.5 percent of its North Carolina branch offices in the Asheville MSA assessment area. The assessment area also represents 11.9 percent of the state-wide loans and 11.3 percent of state-wide deposits.

Economic and Demographic Data

The assessment area consists of 105 tracts, including 2 low-income tracts, 17 moderate-income tracts, 62 middle-income tracts, and 22 upper-income tracts. Two tracts have no income designation. The following table presents demographic information from the 2015 ACS Census and 2020 D&B data.

Demographic Information for the Asheville MSA Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	105	1.9	16.2	59.0	21.0	1.9
Population by Geography	437,252	1.6	14.0	63.9	20.5	0.0
Housing Units by Geography	216,383	1.9	14.2	63.2	20.7	0.0
Owner-Occupied Units by Geography	123,308	1.3	12.1	64.2	22.4	0.0
Occupied Rental Units by Geography	59,192	3.1	18.7	59.3	18.9	0.0
Vacant Units by Geography	33,883	2.1	13.9	66.3	17.8	0.0
Businesses by Geography	45,047	2.8	15.4	53.9	27.9	0.0
Farms by Geography	1,564	1.3	15.5	63.7	19.5	0.0
Family Distribution by Income Level	113,150	20.2	18.6	20.5	40.7	0.0
Household Distribution by Income Level	182,500	23.5	16.5	18.2	41.9	0.0
Median Family Income - Asheville, NC MSA		\$57,243	Median Housing Value			\$192,460
			Median Gross Rent			\$790
			Families Below Poverty Level			11.1%

*Source: 2015 ACS and 2020 D&B Data.
Due to rounding, totals may not equal 100.0 percent.
(*) The NA category consists of geographies that have not been assigned an income classification.*

The Geographic Distribution criterion compares home mortgage loans to the distribution of owner-occupied housing units and compares small business loans to the percentage of businesses located in low-, moderate-, middle-, and upper-income tracts. The 2015 ACS data shows a majority of owner-occupied housing units and businesses are within the middle-income census tracts, indicating most of the lending opportunities will be in these geographies. The moderate-income tracts contain

a fair level of owner-occupied housing units and businesses, while significantly fewer opportunities are indicated in the low-income tracts.

The FFIEC updated Asheville, NC MSA MFIs were used to analyze home mortgage loans under the Borrower Profile criterion. The following table presents each income category.

Asheville MSA – Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
2019 (\$65,700)	<\$32,850	\$32,850 to <\$52,560	\$52,560 to <\$78,840	≥\$78,840
2020 (\$71,000)	<\$35,500	\$35,500 to <\$56,800	\$56,800 to <\$85,200	≥\$85,200
2021 (\$74,700)	<\$37,350	\$37,350 to <\$59,760	\$59,760 to <\$89,640	≥\$89,640
<i>Source: FFIEC</i>				

The analysis of home mortgage lending by borrower income uses families by income level as a comparison to bank performance. The median housing value is \$192,460, and prices are continuing to rise due to the current economic conditions, which can potentially make housing increasingly unaffordable for low-income individuals. Therefore, lending opportunities to low-income families may be limited.

The analysis of small business loans under the Borrower Profile criterion compares the distribution of small business lending by gross annual revenue. The D&B 2020 distribution of small businesses based on gross annual revenues is listed below.

- 89.1 percent reported \$1 million or less;
- 3.4 percent reported more than \$1 million; and
- 7.5 percent did not report revenues.

In 2020, the top industries in the assessment area were Services; Retail Trade; Finance, Insurance, and Real Estate; and Construction. A total of 91.7 percent of businesses in the assessment area had fewer than 10 employees. Top employers during the evaluation period included MH Hospital Manager, Ingles Markets, Blue Ridge Paper Products, and various county school systems, all with over 1,000 employees.

Unemployment rates increased sharply in 2020 due to the COVID-19 pandemic. Rates dropped significantly in 2021, and the levels in all four counties remain below state and national averages.

Unemployment Rates			
Area	2019	2020	2021
	%	%	%
Buncombe County	3.0	8.2	4.2
Haywood County	3.4	7.4	4.3
Henderson County	3.3	6.8	4.1
Madison County	3.6	6.8	4.3
North Carolina	3.8	7.2	4.8
National Average	3.7	8.1	5.2
<i>Source: Bureau of Labor Statistics</i>			

Competition

The assessment area is moderately competitive for deposits. According to the FDIC Deposit Market Share data as of June 30, 2021, 19 FDIC-insured institutions operate 104 branches within the assessment area. Of these institutions, First-Citizens Bank ranked 1st with a market share of 22.0 percent. Competitor institutions in the assessment area include Wells Fargo Bank, NA, Truist Bank, and Bank of America, NA. Together, the three competitor institutions account for 43.1 percent of the market share.

There is a high level of competition for small business loans within the assessment area. Aggregate data for 2020 shows 224 lenders reported 39,606 small business loans originated or purchased in the assessment area. Overall, First-Citizens Bank ranked 5th with a 7.5 percent market share by number of loans and 2nd with a 14.7 percent market share by dollar volume. The five dominant small business lenders accounted for 50.0 percent of the total market share by number.

There is a high level of competition for home mortgage loans among banks, credit unions, and non-depository mortgage lenders. Aggregate data for 2020 shows 515 lenders reported 26,180 residential mortgage loans originated or purchased in the assessment area. First-Citizens Bank ranked 7th with a market share of 3.5 percent. The five dominant home mortgage lenders accounted for 28.8 percent of total market share by number.

Credit and Community Development Needs and Opportunities

A review of demographic and economic data indicates the need for home mortgage and small business loans. In particular, the need for affordable housing for low- and moderate-income families is indicated given the rising home prices compared to the income levels. Examiners also determined the need for small business loans, which is based on the high number of businesses with four or fewer employees and a majority of businesses reporting gross annual revenues of \$1 million or less.

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE ASHEVILLE MSA ASSESSMENT AREA

LENDING TEST

Lending levels in the Asheville MSA assessment area reflect good responsiveness to assessment area credit needs. The geographic distribution reflects good penetration throughout the assessment area, and the borrower profile reflects good distribution of lending among businesses of different sizes and borrowers of different income levels. The institution uses innovative and/or flexible lending practices and is a leader in making community development loans.

Lending Activity

Lending levels reflect good responsiveness to the assessment area's credit needs. The tables presented below detail the number and dollar volume of 2020 small business and home mortgage loans in this assessment area.

Geographic Distribution

The geographic distribution of loans is good.

Small Business Loans

The geographic distribution of small business loans reflects good penetration throughout the assessment area. Lending in both low- and moderate-income tracts slightly exceeded demographic and aggregate data.

Geographic Distribution of Small Business Loans Asheville MSA Assessment Area						
Tract Income Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
Low	2.8	3.1	75	4.3	12,875	6.3
Moderate	15.4	16.1	308	17.7	41,950	20.6
Middle	53.9	52.7	903	51.8	97,823	48.1
Upper	27.9	28.1	458	26.3	50,565	24.9
Totals	100.0	100.0	1,744	100.0	203,213	100.0
<small>Source: 2015 ACS; 2020 CRA Data; and, 2020 CRA Aggregate Data. Due to rounding, totals may not equal 100.0 percent.</small>						

Home Mortgage Loans

The geographic distribution of home mortgage loans is adequate. Lending in low-income tracts was comparable to demographic and aggregate data, while performance in moderate-income tracts was below both demographic and aggregate data.

Geographic Distribution of Home Mortgage Loans Asheville MSA Assessment Area						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low	1.3	1.2	14	1.5	1,680	0.8
Moderate	12.1	10.3	69	7.6	11,740	5.4
Middle	64.2	62.8	517	56.9	105,371	48.6
Upper	22.4	25.7	309	34.0	97,987	45.2
Totals	100.0	100.0	909	100.0	216,778	100.0

Source: 2015 ACS; 2020 HMDA Data; and, 2020 HMDA Aggregate Data.

Borrower Profile

The distribution of small business loans to businesses of different sizes and home mortgage loans to borrowers of different incomes is good.

Small Business Loans

The distribution of small business loans reflects good penetration to businesses with gross annual revenues of \$1 million or less. Lending to small businesses was significantly below demographic data but exceeded aggregate lending data.

Distribution of Small Business Loans by Gross Annual Revenue Category Asheville MSA Assessment Area						
Gross Revenue Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
<=\$1,000,000	89.1	40.6	772	44.3	58,542	28.8
>\$1,000,000	3.4	--	585	33.5	115,918	57.0
Revenue Not Available	7.5	--	387	22.2	28,753	14.1
Totals	100.0	100.0	1,744	100.0	203,213	100.0

Source: 2020 D&B Data; 2020 CRA Data; and, 2020 CRA Aggregate Data.
 "--" data not available.
 Due to rounding, totals may not equal 100.0 percent.

Home Mortgage Loans

The distribution of home mortgage loans reflects adequate penetration among borrowers of different incomes. Lending to low-income borrowers was significantly below the percent of low-income families; however, the bank's performance is consistent with aggregate lending data. Lending to moderate-income borrowers was below both demographic and aggregate data.

Distribution of Home Mortgage Loans by Borrower Income Asheville MSA Assessment Area						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low	20.2	5.0	43	4.7	3,529	1.6
Moderate	18.6	16.3	108	11.9	13,374	6.2
Middle	20.5	22.0	178	19.6	28,696	13.2
Upper	40.7	43.9	536	59.0	158,379	73.1
Not Available	0.0	12.8	44	4.8	12,800	5.9
Totals	100.0	100.0	909	100.0	216,778	100.0
<i>Source: 2015 ACS; 2020 HMDA Data; and, 2020 HMDA Aggregate Data.</i>						

Community Development Loans

First-Citizens Bank is a leader in making community development loans in the Asheville MSA assessment area. The bank originated 20 community development loans totaling \$123.2 million. This amount represents 12.8 percent by number and 42.1 percent by dollar volume of community development loans originated within North Carolina. Regarding the community development purpose, 6 loans support affordable housing, 10 loans support community services, 2 loans support economic development, and 2 loans support revitalization or stabilization. Examples of community development loans follow.

- \$100.0 million non-revolving line of credit to a non-profit organization to support the development of affordable housing. The funds are to build 5,000 housing units over 4 years through partnership with various non-profit organizations.
- \$11.1 million loan to non-profit organization to purchase and renovate a property to provide community services targeted to low- and moderate-income individuals.

INVESTMENT TEST

First-Citizens Bank has a significant level of qualified investments in the assessment area. The bank exhibits good responsiveness to credit and community development needs and occasionally uses innovative and/or complex investments to support community development initiatives.

Investment and Grant Activity

The bank has a significant level of qualified investments in the Asheville MSA assessment area. Qualified investments total \$15.9 million or 22.4 percent of North Carolina qualified investments. Investments include \$1.5 million in a regionally-based investment fund that supported affordable housing projects in the assessment area. Additionally, the bank purchased a nationwide based GNMA MBS of which \$14.1 million supported an affordable housing project in this assessment area. Furthermore, the bank made 110 donations or grants totaling \$286,116. Of the donations or grants, \$19,750 benefited affordable housing, \$225,366 benefited community services, and \$41,000

benefited economic development. Provided below are examples of donations that benefited the assessment area.

- \$10,000 to a non-profit organization that provides economic development by attracting and retaining jobs.
- \$11,250 to a non-profit organization that provides community services targeted to low- and moderate-income individuals.

SERVICE TEST

First-Citizens Bank’s delivery systems are accessible to essentially all portions of the Asheville MSA assessment area. The institution’s opening and closing of branches has not adversely affected the accessibility of its delivery systems. Services and business hours do not vary in a way that inconveniences certain portions of the assessment area, particularly low- and moderate-income geographies, or individuals. The bank provided a relatively high level of community development services.

Accessibility of Delivery Systems

Delivery systems are accessible to essentially all portions of the assessment area. The conclusions regarding the accessibility of delivery systems for the assessment area are consistent with the institution overall and the North Carolina rated area. While the bank operates no branches in low-income tracts, the population level in the 2 low-income tracts is low. The branches within the moderate-income tracts are comparable to the percentage of the population in those tracts. The bank operates 21 ATMs in the assessment area with 2 ATMs (9.5 percent) located in moderate-income tracts. None of the ATMs are in the low-income tracts. Additionally, the locations of the bank’s branches enable the bank to reasonably serve census tracts with limited branch access and low-and moderate-income tracts where the bank has no branches.

Branch Distribution by Geography Income Level Asheville MSA Assessment Area						
Tract Income Level	Census Tracts		Population		Branches	
	#	%	#	%	#	%
Low	2	1.9	6,860	1.6	0	0.0
Moderate	17	16.2	61,318	14.0	3	13.6
Middle	62	59.0	279,432	63.9	14	63.7
Upper	22	21.0	89,642	20.5	5	22.7
NA	2	1.9	0	0.0	0	0.0
Total	105	100.0	437,252	100.0	22	100.0
<i>Source: 2015 ACS Data and Bank Data</i>						

Changes in Branch Locations

To the extent changes have been made, the institution’s opening and closing of branches has not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and/or to low- and moderate-income individuals. Since the previous

evaluation, the bank opened three branches through merger activity, with all three branches located in middle-income tracts. Subsequently, the bank closed two of the three acquired branches located in the middle-income tracts.

Community Development Services

First-Citizens Bank provided a relatively high level of community development services in the assessment area. Bank employees and Board members provided 92 instances for 1,533 hours of community development service. These services equate to 1.4 instances and 23.2 hours of community development service per branch per year. This performance accounts for 5.9 percent of the bank-wide community development services and 16.0 percent of state-wide community development services by number of hours. The level of community development services is above the percentage of branches within the assessment area at 4.2 percent bank-wide and 11.5 percent state-wide. The bank engaged in 48 instances of community development service at the previous evaluation. The following are examples of community development services provided.

- An employee serves as the Chairman of the Board of an economic development organization, while another employee serves as the treasurer of the organization.
- An employee serves on the Board and is a member of the finance committee of a non-profit nursing facility, where the majority of the residents receive Medicaid.
- Multiple employees provided financial literacy presentations targeted to low- and moderate-income individuals.

DURHAM MSA ASSESSMENT AREA – Full-Scope Review

DESCRIPTION OF INSTITUTION’S OPERATIONS IN THE DURHAM MSA ASSESSMENT AREA

The Durham-Chapel Hill, NC MSA includes five counties; however, the bank has delineated three counties (Chatham, Durham, and Orange) as the Durham MSA assessment area. There have been no changes to this assessment area since the prior evaluation. The bank operates eight or 4.2 percent of its North Carolina branch offices in the Durham MSA assessment area. The assessment area also represents 7.7 percent of the state-wide loans and 3.8 percent of state-wide deposits.

Economic and Demographic Data

The assessment area consists of 101 tracts, including 11 low-income tracts, 21 moderate-income tracts, 27 middle-income tracts, and 38 upper-income tracts. Four tracts have no income designation. The following table presents demographic information from the 2015 ACS Census and 2020 D&B data.

Demographic Information for the Durham MSA Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	101	10.9	20.8	26.7	37.6	4.0
Population by Geography	494,892	8.7	20.0	32.3	37.7	1.4
Housing Units by Geography	211,614	9.1	19.0	33.3	38.6	0.0
Owner-Occupied Units by Geography	114,365	2.9	13.3	36.2	47.5	0.0
Occupied Rental Units by Geography	80,413	16.9	26.1	28.9	28.1	0.1
Vacant Units by Geography	16,836	13.8	23.7	34.1	28.3	0.0
Businesses by Geography	48,382	6.4	15.5	31.9	44.4	1.8
Farms by Geography	1,393	2.9	12.0	51.3	33.7	0.1
Family Distribution by Income Level	117,903	22.5	16.2	17.6	43.7	0.0
Household Distribution by Income Level	194,778	24.2	15.1	16.9	43.7	0.0
Median Family Income - Durham-Chapel Hill, NC MSA	\$68,020	Median Housing Value				\$224,974
		Median Gross Rent				\$904
		Families Below Poverty Level				10.8%
<i>Source: 2015 ACS and 2020 D&B Data</i> <i>Due to rounding, totals may not equal 100.0 percent.</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

The Geographic Distribution criterion compares home mortgage loans to the distribution of owner-occupied housing units and compares small business loans to the percentage of businesses located in low-, moderate-, middle-, and upper-income tracts. The 2015 ACS data shows a majority of owner-occupied housing units and businesses are within the middle- and upper-income tracts, indicating most of the lending opportunities will be in these geographies. The moderate-income

tracts contain a fair level of owner-occupied housing units and businesses, while significantly fewer opportunities are indicated in the low-income tracts.

The FFIEC updated Durham-Chapel Hill, NC MSA MFIs were used to analyze home mortgage loans under the Borrower Profile criterion. The following table presents each income category.

Durham MSA – Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
2019 (\$75,100)	<\$37,550	\$37,550 to <\$60,080	\$60,080 to <\$90,120	≥\$90,120
2020 (\$79,900)	<\$39,950	\$39,950 to <\$63,920	\$63,920 to <\$95,880	≥\$95,880
2021 (\$81,500)	<\$40,750	\$40,750 to <\$65,200	\$65,200 to <\$97,800	≥\$97,800
<i>Source: FFIEC</i>				

The analysis of home mortgage lending by borrower income uses families by income level as a comparison to bank performance. The median housing value is \$224,974, and prices are continuing to rise due to the current economic conditions, which can potentially make housing increasingly unaffordable for low-income individuals. Therefore, lending opportunities to low-income families may be limited.

The analysis of small business loans under the Borrower Profile criterion compares the distribution of small business lending by gross annual revenue. The D&B 2020 distribution of businesses based on gross annual revenues is listed below.

- 88.2 percent reported \$1 million or less;
- 3.5 percent reported more than \$1 million; and
- 8.3 percent did not report revenues.

In 2020, the top industries in the assessment area were Services; Retail Trade; Finance, Insurance, and Real Estate; and Construction. A total of 90.6 percent of businesses in the assessment area had fewer than 10 employees. According to the North Carolina Department of Commerce, top employers in the assessment area during the evaluation period included Duke University, Cisco Systems, IBM Corporation, UNC Chapel Hill, and UNC Health Care System, all with over 1,000 employees.

Unemployment rates increased sharply in 2020 due to the COVID-19 pandemic. Rates dropped significantly in 2021, and levels in all three counties remain below state and national averages.

Unemployment Rates			
Area	2019	2020	2021
	%	%	%
Chatham County	3.3	5.3	3.6
Durham County	3.4	6.3	4.1
Orange County	3.3	5.2	3.5
North Carolina	3.8	7.2	4.8
National Average	3.7	8.1	5.2
<i>Source: Bureau of Labor Statistics</i>			

Competition

The assessment area is moderately competitive. According to the FDIC Deposit Market Share data as of June 30, 2021, 19 FDIC-insured institutions operate 97 branches within the assessment area. Of these institutions, First-Citizens Bank ranked 7th with a market share of 2.7 percent. Competitor institutions in the assessment area include Pacific Western Bank, Truist Bank, and Wells Fargo Bank, NA. Together, the three competitor institutions account for 75.2 percent of the market share.

There is a high level of competition for small business loans within the assessment area. Aggregate data for 2020 shows 222 lenders reported 53,423 small business loans originated or purchased in the assessment area. Overall, First-Citizens Bank ranked 5th with a 5.3 percent market share by number of loans and 2nd with a 10.2 percent market share by dollar volume. The five dominant small business lenders accounted for 50.2 percent of the total market share by number.

There is a high level of competition for home mortgage loans among banks, credit unions, and non-depository mortgage lenders. Aggregate data for 2020 shows 551 lenders reported 32,255 residential mortgage loans originated or purchased in the assessment area. First-Citizens Bank ranked 7th with a market share of 2.3 percent. The five dominant home mortgage lenders accounted for 34.6 percent of total market share by number.

Community Contacts

As part of the evaluation process, examiners contact third parties active in the assessment area to assist in identifying the credit needs of the assessment area. This information helps identify credit and community development needs and whether local financial institutions are responsive to those opportunities. Two community contacts were referenced within the Durham MSA assessment area. The contacts were from affordable housing and business economic development organizations. The economic development contact stated that small business financing and technical assistance were needed, and the large banks could be doing more in the market. The affordable housing contact stated that both Apple and Google announced expansions into the Durham-Chapel Hill, NC MSA, bringing 4,000 new high-paying jobs. Home prices have increased by more than 20.0 percent in 2021, which has made affordable housing much more challenging.

Credit and Community Development Needs and Opportunities

Examiners determined that small business and home mortgage loans represent primary credit needs for the assessment area. In particular, affordable home mortgage loans for low- and moderate-income families are needed as housing prices have risen sharply and are continuing to increase given the corporate expansions in the area. In addition, small business loans are needed based on contact comments, the high percentage of businesses with four or fewer employees, and a majority of businesses reporting gross annual revenues of \$1 million or less.

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE DURHAM MSA ASSESSMENT AREA

LENDING TEST

Lending levels in the Durham MSA assessment area reflect adequate responsiveness to assessment area credit needs. The geographic distribution reflects adequate penetration throughout the assessment area, and the borrower profile reflects adequate distribution of lending among borrowers of different income levels and businesses of different sizes. The institution uses innovative and/or flexible lending practices and originated a relatively high level of community development loans.

Lending Activity

Lending levels reflect adequate responsiveness to the assessment area's credit needs. The tables presented below detail the number and dollar volume of 2020 home mortgage and small business loans in this assessment area.

Geographic Distribution

The geographic distribution of loans is adequate.

Home Mortgage Loans

The geographic distribution of home mortgage loans is adequate. Lending in low-income census tracts was similar to demographic and aggregate data and lending in moderate-income tracts was below demographic data and slightly below aggregate data.

Geographic Distribution of Home Mortgage Loans Durham MSA Assessment Area						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low	2.9	2.9	16	2.2	3,600	1.8
Moderate	13.3	10.5	62	8.4	12,529	6.3
Middle	36.2	34.4	202	27.2	52,577	26.4
Upper	47.5	52.2	462	62.3	130,757	65.6
Totals	100.0	100.0	742	100.0	199,464	100.0
<i>Source: 2015 ACS; 2020 HMDA Data; and, 2020 HMDA Aggregate Data. Due to rounding, totals may not equal 100.0 percent.</i>						

Small Business Loans

The geographic distribution of small business loans reflects adequate penetration throughout the assessment area. Lending in low- and moderate-income tracts was consistent with both demographic and aggregate data.

Geographic Distribution of Small Business Loans Durham MSA Assessment Area						
Tract Income Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
Low	6.4	6.2	27	5.7	4,035	8.0
Moderate	15.5	15.1	67	14.2	5,965	11.8
Middle	31.9	32.7	122	25.9	12,279	24.4
Upper	44.4	44.9	252	53.5	27,091	53.8
Not Available	1.8	1.1	3	0.6	1,000	2.0
Totals	100.0	100.0	471	100.0	50,370	100.0
<i>Source: 2015 ACS; 2020 CRA Data; and, 2020 CRA Aggregate Data. Due to rounding, totals may not equal 100.0 percent.</i>						

Borrower Profile

The distribution of home mortgage loans to borrowers of different incomes and small business loans to businesses of different sizes is overall adequate based on the small business lending as home mortgage lending is considered poor.

Home Mortgage Loans

The distribution of home mortgage loans reflects poor penetration among borrowers of different incomes. Lending to low-income borrowers was significantly below demographic data and slightly below aggregate lending data. Lending to moderate-income borrowers was significantly below both demographic and aggregate data.

Distribution of Home Mortgage Loans by Borrower Income Durham MSA Assessment Area						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low	22.5	3.3	12	1.6	1,747	0.9
Moderate	16.2	13.7	38	5.1	5,196	2.6
Middle	17.6	19.2	85	11.5	13,833	6.9
Upper	43.7	51.6	584	78.7	172,501	86.5
Not Available	0.0	12.2	23	3.1	6,187	3.1
Totals	100.0	100.0	742	100.0	199,464	100.0

Source: 2015 ACS; 2020 HMDA Data; and, 2020 HMDA Aggregate Data.

Small Business Loans

The distribution of small business loans reflects good penetration to businesses with gross annual revenues of \$1 million or less. Lending to small businesses was significantly below demographic data but comparable to aggregate lending data.

Distribution of Small Business Loans by Gross Annual Revenue Category Durham MSA Assessment Area						
Gross Revenue Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
<=\$1,000,000	88.2	43.8	199	42.3	13,902	27.6
>\$1,000,000	3.5	--	134	28.5	26,130	51.9
Revenue Not Available	8.3	--	138	29.3	10,338	20.5
Totals	100.0	100.0	471	100.0	50,370	100.0

*Source: 2020 D&B Data; 2020 CRA Data; and, 2020 CRA Aggregate Data.
"--" data not available.
Due to rounding, totals may not equal 100.0 percent.*

Community Development Loans

First-Citizens Bank originated a relatively high level of community development loans in the Durham MSA assessment area. The bank originated seven community development loans totaling \$6.5 million. This amount represents 4.5 percent by number and 2.2 percent by dollar volume of community development loans originated within North Carolina. Regarding the community development purpose, one loan supports affordable housing, five loans support community services, and one loan supports revitalization or stabilization. Examples of community development loans follow.

- \$3.5 million loan for a 44 unit multi-family affordable housing LIHTC project.
- \$2.9 million loan to construct a 30,000 square foot office/distribution center located in a moderate-income geography. This loan serves to revitalize and stabilize the geography by helping to retain and attract businesses and residents and provide jobs.

INVESTMENT TEST

First-Citizens Bank has a significant level of qualified investments in the assessment area. The bank exhibits good responsiveness to credit and community development needs and occasionally uses innovative and/or complex investments to support community development initiatives.

Investment and Grant Activity

The bank has a significant level of qualified investments in the Durham MSA assessment area. Qualified investments total \$13.0 million or 18.3 percent of North Carolina qualified investments. Investments include a certificate of deposit held at an MDI headquartered in this assessment area totaling \$250,000. Additionally, investments since the prior evaluation include one state-wide fund investment providing affordable house, of which \$7.0 million benefited this assessment area. Additionally, investments include two regionally-based equity investments supporting affordable housing, of which \$2.0 million supported the assessment area. Furthermore, the bank purchased a nationwide GNMA MBS investment, of which \$1.5 million supported an affordable housing project in this assessment area. One prior period investment in an equity investment fund for \$1.9 million and supported affordable housing benefited this assessment area. The bank also made 19 donations totaling \$339,550. Of the donations, \$25,000 benefited affordable housing, \$282,250 benefited community services, and \$32,300 benefited economic development. Provided below are examples of donations that benefited the assessment area.

- \$267,750 to a non-profit organization that provides community services to low- and moderate-income individuals.
- \$19,800 to a local organization that provides economic development opportunities for and economic support to women- and minority-owned businesses.

SERVICE TEST

First-Citizens Bank's delivery systems are reasonably accessible to essentially all portions of the Durham MSA assessment area. The institution's opening and closing of branches has not adversely affected the accessibility of its delivery systems. Services and business hours do not vary in a way that inconveniences certain portions of the assessment area, particularly low- and moderate-income geographies, or individuals. The bank provided an adequate level of community development services.

Accessibility of Delivery Systems

Delivery systems are reasonably accessible to essentially all portions of the assessment area. The conclusions regarding the accessibility of delivery systems for the assessment area are less favorable than both the institution overall and the North Carolina rated area. The level of branching in the low-income tracts is higher than the percentage of the population in those tracts. Additionally, the bank operates one of nine ATMs (11.1 percent) in the assessment area in a low-income tract. The bank does not operate any branches or ATMs in the moderate-income tracts.

Branch Distribution by Geography Income Level Durham MSA Assessment Area						
Tract Income Level	Census Tracts		Population		Branches	
	#	%	#	%	#	%
Low	11	10.9	42,924	8.7	1	12.5
Moderate	21	20.8	98,953	20.0	0	0.0
Middle	27	26.7	159,781	32.3	3	37.5
Upper	38	37.6	186,354	37.6	3	37.5
NA	4	4.0	6,880	1.4	1	12.5
	101	100.0	494,892	100.0	8	100.0
<i>Source: 2015 ACS Data and Bank Data</i>						

Changes in Branch Locations

To the extent changes have been made, the institution’s opening and closing of branches has not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and/or to low- and moderate-income individuals. Since the previous evaluation, the bank opened one branch located in a middle-income tract. Subsequently, the bank closed one branch located less than five miles away from the newly opened branch. The closed branch was located in a non-designated income tract.

Community Development Services

First-Citizens Bank provided an adequate level of community development services in the assessment area. Bank employees and Board members provided 16 instances for 237 hours of community development service. These services equate to 0.7 instances and 9.9 hours of community development service per branch per year. This performance accounts for 0.9 percent of the bank-wide community development services and 2.5 percent of state-wide community development services. The level of community development services is below the percentage of branches within the assessment area at 1.5 percent bank-wide and 4.2 percent state-wide. The bank engaged in 15 instances of community development service at the previous evaluation. The following are examples of community development services provided.

- Three employees are on the Board of a local non-profit organization that provides services to low- and moderate-income families. Services include affordable housing access and health services.
- Seven instances where the bank provided financial literacy presentations to local non-profit organizations. The presentations included general credit building, homebuyer workshops, and presentations for small businesses.

OTHER ASSESSMENT AREAS – Limited-Scope Review

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE LIMITED-SCOPE ASSESSMENT AREAS

The following table summarizes the conclusions for the 11 North Carolina assessment areas reviewed using limited-scope examination procedures. Conclusions regarding the institution’s CRA performance within the limited-scope areas were derived from reviewing available facts and data, including performance data, aggregate lending data comparisons, and demographic information. The conclusions did not alter the bank’s overall performance rating.

Assessment Area	Lending Test	Investment Test	Service Test
Wilmington MSA	Consistent	Below	Above
Greensboro MSA	Below	Below	Consistent
Hickory MSA	Consistent	Above	Consistent
Fayetteville MSA	Below	Below	Consistent
Goldsboro MSA	Below	Below	Above
Greenville MSA	Consistent	Above	Consistent
Jacksonville MSA	Below	Below	Below
New Bern MSA	Consistent	Above	Consistent
Rocky Mount MSA	Below	Below	Below
Winston-Salem MSA	Below	Below	Consistent
Virginia Beach MSA	Above	Below	Below

The branch distribution and alternative delivery systems for the limited-scope assessment areas are generally consistent with the overall institution. Additionally, the service hours, loan and deposit products, services, and branch hours do not inconvenience low- and moderate-income individuals or areas.

A summary of First-Citizens Bank’s operations and activities for limited-scope areas, as well as geographic distribution and borrower profile data for 2020 are presented below. Demographic data and market share information for the limited-scope assessment areas are detailed in the Appendices.

Wilmington MSA Assessment Area

The Wilmington, NC MSA comprises two counties (New Hanover and Pender), which the bank delineated as the Wilmington MSA assessment area. First-Citizens Bank operates nine branches in this assessment area, which accounts for 4.7 percent of state-wide branches. In addition, the assessment area accounts for 8.2 percent of state-wide lending and 5.9 percent of state-wide deposits.

The following activities occurred in the assessment area during the review period.

Activity	#	\$(000s)
Home Mortgage Loans	1,718	465,387
Small Business Loans	2,172	261,502
Community Development Loans	12	18,987
Investments (New)	--	--
Investments (Prior Period)	--	--
Donations	39	42
Community Development Services	31	843 hours
<i>Small business and home mortgage lending volumes are based on the combined 2019, 2020, and 2021 lending data, while the community development loans, qualified investments, and community development services are from previous evaluation through December 31, 2021. Qualified investments also include those from prior periods that remain outstanding.</i>		

Geographic Distribution and Borrower Profile

Geographic Distribution of Home Mortgage Loans Wilmington MSA Assessment Area						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low	4.9	4.3	24	4.2	4,096	2.5
Moderate	14.4	7.4	31	5.5	4,079	2.5
Middle	44.4	46.4	180	31.7	32,813	19.9
Upper	36.3	41.9	332	58.6	124,102	75.2
Totals	100.0	100.0	567	100.0	165,090	100.0
<i>Source: 2015 ACS; 2020 HMDA Data; and, 2020 HMDA Aggregate Data. Due to rounding, totals may not equal 100.0 percent.</i>						

Geographic Distribution of Small Business Loans Wilmington MSA Assessment Area						
Tract Income Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
Low	12.4	12.5	134	14.3	18,980	16.6
Moderate	11.5	10.9	150	16.0	20,127	17.6
Middle	34.6	36.1	300	31.9	32,167	28.2
Upper	41.2	40.3	356	37.9	42,797	37.5
Not Available	0.3	0.2	0	0.0	0	0.0
Totals	100.0	100.0	940	100.0	114,071	100.0

*Source: 2015 ACS; 2020 CRA Data; and, 2020 CRA Aggregate Data.
Due to rounding, totals may not equal 100.0 percent.*

Distribution of Home Mortgage Loans by Borrower Income Wilmington MSA Assessment Area						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low	22.7	5.2	29	5.1	2,906	1.8
Moderate	17.6	15.8	49	8.6	5,806	3.5
Middle	18.4	18.4	90	15.9	11,438	6.9
Upper	41.3	42.4	374	66.0	137,210	83.1
Not Available	0.0	18.2	25	4.4	7,730	4.7
Totals	100.0	100.0	567	100.0	165,090	100.0

Source: 2015 ACS; 2020 HMDA Data; and, 2020 HMDA Aggregate Data.

Distribution of Small Business Loans by Gross Annual Revenue Category Wilmington MSA Assessment Area						
Gross Revenue Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
<=\$1,000,000	87.8	39.6	389	41.4	36,177	31.7
>\$1,000,000	3.7	--	303	32.2	56,710	49.7
Revenue Not Available	8.5	--	248	26.4	21,184	18.6
Totals	100.0	100.0	940	100.0	114,071	100.0

*Source: 2020 D&B Data; 2020 CRA Data; and, 2020 CRA Aggregate Data.
"--" data not available.*

Greensboro MSA Assessment Area

The Greensboro-High Point MSA comprises three counties (Guilford, Randolph, and Rockingham), which the bank delineated as the Greensboro MSA assessment area. First-Citizens Bank operates 12 branches in this assessment area, which accounts for 6.3 percent of state-wide branches. In addition, the assessment area accounts for 6.1 percent of state-wide lending and 4.9 percent of state-wide deposits.

The following activities occurred in the assessment area during the review period.

Activity	#	\$(000s)
Home Mortgage Loans	1,671	304,347
Small Business Loans	2,088	238,842
Community Development Loans	5	4,716
Investments (New)	1	1,500*
Investments (Prior Period)	--	--
Donations	57	104
Community Development Services	41	764 hours

Small business and home mortgage lending volumes are based on the combined 2019, 2020, and 2021 lending data, while the community development loans, qualified investments, and community development services are from previous evaluation through December 31, 2021. Qualified investments also include those from prior periods that remain outstanding.
**The bank invested in a regionally-based investment fund supporting affordable housing, of which \$1.5 million benefited the Greensboro MSA.*

Geographic Distribution and Borrower Profile

Geographic Distribution of Home Mortgage Loans Greensboro MSA Assessment Area						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low	2.7	1.3	4	0.6	266	0.2
Moderate	17.2	11.5	43	6.9	3,613	2.9
Middle	45.8	40.9	195	31.2	26,678	21.4
Upper	34.3	46.3	383	61.3	93,958	75.5
Totals	100.0	100.0	625	100.0	124,515	100.0

Source: 2015 ACS; 2020 HMDA Data; and, 2020 HMDA Aggregate Data.

Geographic Distribution of Small Business Loans Greensboro MSA Assessment Area						
Tract Income Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
Low	4.1	4.0	33	3.4	4,650	4.2
Moderate	21.6	22.8	183	18.9	22,926	20.8
Middle	36.2	37.1	311	32.1	37,624	34.1
Upper	37.9	36.0	442	45.6	45,112	40.9
Not Available	0.2	0.1	0	0.0	0	0.0
Totals	100.0	100.0	969	100.0	110,312	100.0

Source: 2015 ACS; 2020 CRA Data; and, 2020 CRA Aggregate Data.

Distribution of Home Mortgage Loans by Borrower Income Greensboro MSA Assessment Area						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low	21.7	5.0	28	4.5	1,715	1.4
Moderate	18.3	16.0	68	10.9	6,410	5.1
Middle	18.4	19.1	81	13.0	9,658	7.8
Upper	41.7	42.1	426	68.2	104,703	84.1
Not Available	0.0	17.9	22	3.5	2,029	1.6
Totals	100.0	100.0	625	100.0	124,515	100.0

Source: 2015 ACS; 2020 HMDA Data; and, 2020 HMDA Aggregate Data.
Due to rounding, totals may not equal 100.0 percent.

Distribution of Small Business Loans by Gross Annual Revenue Category Greensboro MSA Assessment Area						
Gross Revenue Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
<=\$1,000,000	86.0	41.1	398	41.1	35,099	31.8
>\$1,000,000	4.4	--	301	31.1	59,368	53.8
Revenue Not Available	9.6	--	270	27.9	15,845	14.4
Totals	100.0	100.0	969	100.0	110,312	100.0

Source: 2020 D&B Data; 2020 CRA Data; and, 2020 CRA Aggregate Data.
"--" data not available.
Due to rounding, totals may not equal 100.0 percent.

Hickory MSA Assessment Area

The Hickory-Lenoir-Morgantown, NC MSA comprises four counties (Alexander, Burke, Caldwell, and Catawba), which the bank delineated as the Hickory MSA assessment area. First-Citizens Bank operates 10 branches in this assessment area, which accounts for 5.2 percent of state-wide branches. In addition, the assessment area accounts for 4.6 percent of state-wide lending and 5.0 percent of state-wide deposits.

The following activities occurred in the assessment area during the review period.

Activity	#	\$(000s)
Home Mortgage Loans	2,739	628,720
Small Business Loans	1,963	204,844
Community Development Loans	-	-
Investments (New)	3	11,250*
Investments (Prior Period)	--	--
Donations	48	40
Community Development Services	35	464 hours
<i>Small business and home mortgage lending volumes are based on the combined 2019, 2020, and 2021 lending data, while the community development loans, qualified investments, and community development services are from previous evaluation through December 31, 2021. Qualified investments also include those from prior periods that remain outstanding.</i> <i>* The bank invested in two regionally-based investment funds supporting affordable housing totaling \$1.25 million, which benefited the Hickory MSA. Additionally, the bank invested in a state-wide investment fund, of which \$10.0 million benefited this assessment area.</i>		

Geographic Distribution and Borrower Profile

Geographic Distribution of Home Mortgage Loans Hickory MSA Assessment Area						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Moderate	10.5	8.6	41	8.7	4,704	7.1
Middle	67.5	59.8	266	56.4	34,599	52.6
Upper	22.0	31.6	165	35.0	26,499	40.3
Totals	100.0	100.0	472	100.0	65,802	100.0
<i>Source: 2015 ACS; 2020 HMDA Data; and, 2020 HMDA Aggregate Data. Due to rounding, totals may not equal 100.0 percent.</i>						

Geographic Distribution of Small Business Loans Hickory MSA Assessment Area						
Tract Income Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
Moderate	14.7	16.6	168	18.7	26,526	27.4
Middle	58.3	55.0	473	52.7	43,337	44.8
Upper	27.0	28.4	257	28.6	26,900	27.8
Totals	100.0	100.0	898	100.0	96,763	100.0

Source: 2015 ACS; 2020 CRA Data; and, 2020 CRA Aggregate Data.

Distribution of Home Mortgage Loans by Borrower Income Hickory MSA Assessment Area						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low	20.8	4.9	18	3.8	1,199	1.8
Moderate	17.8	15.8	71	15.0	6,044	9.2
Middle	21.1	20.4	114	24.2	11,575	17.6
Upper	40.3	40.7	253	53.6	44,543	67.7
Not Available	0.0	18.3	16	3.4	2,441	3.7
Totals	100.0	100.0	472	100.0	65,802	100.0

*Source: 2015 ACS; 2020 HMDA Data; and, 2020 HMDA Aggregate Data.
Due to rounding, totals may not equal 100.0 percent.*

Distribution of Small Business Loans by Gross Annual Revenue Category Hickory MSA Assessment Area						
Gross Revenue Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
<=\$1,000,000	83.5	37.3	389	43.3	29,660	30.7
>\$1,000,000	5.4	--	248	27.6	52,555	54.3
Revenue Not Available	11.2	--	261	29.1	14,548	15.0
Totals	100.0	100.0	898	100.0	96,763	100.0

*Source: 2020 D&B Data; 2020 CRA Data; and, 2020 CRA Aggregate Data.
"--" data not available.
Due to rounding, totals may not equal 100.0 percent.*

Fayetteville MSA Assessment Area

The Fayetteville, NC MSA comprises three counties; however, the bank delineated two counties (Cumberland and Harnett) as the Fayetteville MSA assessment area. The March 2020 OMB changes resulted in the removal of Harnett County from the NC Non-MSA assessment area to the Fayetteville MSA assessment area. Therefore, examiners’ analyses for the Fayetteville MSA assessment area included activities that only occurred in 2020 and 2021 for Harnett County. First-Citizens Bank operates 11 branches in this assessment area, which accounts for 5.7 percent of state-wide branches. In addition, the assessment area accounts for 3.4 percent of state-wide lending and 5.3 percent of state-wide deposits.

The following activities occurred in the assessment area during the review period.

Activity	#	\$(000s)
Home Mortgage Loans	952	130,766
Small Business Loans	1,567	180,721
Community Development Loans	7	3,001
Investments (New)	1	619*
Investments (Prior Period)	--	--
Donations	32	17
Community Development Services	18	312 hours
<i>Small business and home mortgage lending volumes are based on the combined 2019, 2020, and 2021 lending data, while the community development loans, qualified investments, and community development services are from previous evaluation through December 31, 2021. Qualified investments also include those from prior periods that remain outstanding.</i>		
<i>* The bank invested in a nationwide GNMA MBS supporting affordable housing, of which \$618,738 benefited the Fayetteville MSA assessment area.</i>		

Geographic Distribution and Borrower Profile

Geographic Distribution of Home Mortgage Loans Fayetteville MSA Assessment Area						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low	0.5	0.1	0	0.0	0	0.0
Moderate	9.7	5.6	26	8.6	3,440	7.7
Middle	66.7	60.6	186	61.6	22,070	49.5
Upper	23.1	33.8	90	29.8	19,086	42.8
Totals	100.0	100.0	302	100.0	44,596	100.0
<i>Source: 2015 ACS; 2020 HMDA Data; and, 2020 HMDA Aggregate Data. Due to rounding, totals may not equal 100.0 percent.</i>						

Geographic Distribution of Small Business Loans Fayetteville MSA Assessment Area						
Tract Income Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
Low	1.8	2.6	34	5.2	4,785	5.8
Moderate	16.9	16.8	133	20.3	18,091	22.0
Middle	60.5	59.7	358	54.7	44,360	53.9
Upper	20.7	21.0	130	19.8	15,047	18.3
Not Available	0.1	0.0	0	0.0	0	0.0
Totals	100.0	100.0	655	100.0	82,283	100.0
<i>Source: 2015 ACS; 2020 CRA Data; and, 2020 CRA Aggregate Data. Due to rounding, totals may not equal 100.0 percent.</i>						

Distribution of Home Mortgage Loans by Borrower Income Fayetteville MSA Assessment Area						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low	20.3	1.9	10	3.3	466	1.0
Moderate	17.1	8.8	32	10.6	3,309	7.4
Middle	19.4	16.0	42	13.9	4,077	9.1
Upper	43.2	28.5	168	55.6	30,754	69.0
Not Available	0.0	44.8	50	16.6	5,990	13.4
Totals	100.0	100.0	302	100.0	44,596	100.0
<i>Source: 2015 ACS; 2020 HMDA Data; and, 2020 HMDA Aggregate Data. Due to rounding, totals may not equal 100.0 percent.</i>						

Distribution of Small Business Loans by Gross Annual Revenue Category Fayetteville MSA Assessment Area						
Gross Revenue Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
<=\$1,000,000	86.9	42.2	358	54.7	24,623	29.9
>\$1,000,000	3.3	--	216	33.0	48,003	58.3
Revenue Not Available	9.8	--	81	12.4	9,657	11.7
Totals	100.0	100.0	655	100.0	82,283	100.0
<i>Source: 2020 D&B Data; 2020 CRA Data; and, 2020 CRA Aggregate Data. "--" data not available. Due to rounding, totals may not equal 100.0 percent.</i>						

Goldsboro MSA Assessment Area

The Goldsboro, NC MSA consists of a single county (Wayne), which the bank has delineated as the Goldsboro MSA assessment area. First-Citizens Bank operates three branches in this assessment area, which accounts for 1.6 percent of state-wide branches. In addition, the assessment area accounts for 1.1 percent of state-wide lending and 1.0 percent of state-wide deposits.

The following activities occurred in the assessment area during the review period.

Activity	#	\$(000s)
Home Mortgage Loans	222	32,850
Small Business Loans	489	60,032
Community Development Loans	6	452
Investments (New)	--	--
Investments (Prior Period)	--	--
Donations	25	31
Community Development Services	15	284 hours
<i>Small business and home mortgage lending volumes are based on the combined 2019, 2020, and 2021 lending data, while the community development loans, qualified investments, and community development services are from previous evaluation through December 31, 2021. Qualified investments also include those from prior periods that remain outstanding.</i>		

Geographic Distribution and Borrower Profile

Geographic Distribution of Home Mortgage Loans Goldsboro MSA Assessment Area						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Moderate	26.7	18.9	15	21.7	1,981	15.6
Middle	56.0	54.5	41	59.4	5,561	43.7
Upper	17.3	26.6	13	18.8	5,174	40.7
Totals	100.0	100.0	69	100.0	12,716	100.0
<i>Source: 2015 ACS; 2020 HMDA Data; and, 2020 HMDA Aggregate Data. Due to rounding, totals may not equal 100.0 percent.</i>						

Geographic Distribution of Small Business Loans Goldsboro MSA Assessment Area						
Tract Income Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
Moderate	34.9	34.4	62	29.0	6,843	27.1
Middle	53.1	51.8	129	60.3	16,807	66.6
Upper	11.9	13.7	23	10.7	1,590	6.3
Totals	100.0	100.0	214	100.0	25,240	100.0
<i>Source: 2015 ACS; 2020 CRA Data; and, 2020 CRA Aggregate Data. Due to rounding, totals may not equal 100.0 percent.</i>						

Distribution of Home Mortgage Loans by Borrower Income Goldsboro MSA Assessment Area						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low	22.8	1.8	3	4.3	167	1.3
Moderate	17.9	11.2	12	17.4	761	6.0
Middle	19.4	19.6	11	15.9	1,247	9.8
Upper	39.9	35.7	35	50.7	8,593	67.6
Not Available	0.0	31.7	8	11.6	1,948	15.3
Totals	100.0	100.0	69	100.0	12,716	100.0
<i>Source: 2015 ACS; 2020 HMDA Data; and, 2020 HMDA Aggregate Data. Due to rounding, totals may not equal 100.0 percent.</i>						

Distribution of Small Business Loans by Gross Annual Revenue Category Goldsboro MSA Assessment Area						
Gross Revenue Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
<=\$1,000,000	83.7	34.5	99	46.3	8,435	33.4
>\$1,000,000	4.4	--	68	31.8	13,376	53.0
Revenue Not Available	11.9	--	47	22.0	3,429	13.6
Totals	100.0	100.0	214	100.0	25,240	100.0
<i>Source: 2020 D&B Data; 2020 CRA Data; and, 2020 CRA Aggregate Data. "--" data not available. Due to rounding, totals may not equal 100.0 percent.</i>						

Greenville MSA Assessment Area

The Greenville, NC MSA consists of a single county (Pitt), which the bank has delineated as the Greenville MSA assessment area. First-Citizens Bank operates five branches in this assessment area, which accounts for 2.6 percent of state-wide branches. In addition, the assessment area accounts for 2.9 percent of state-wide lending and 2.3 percent of state-wide deposits.

The following activities occurred in the assessment area during the review period.

Activity	#	\$(000s)
Home Mortgage Loans	530	114,542
Small Business Loans	940	141,049
Community Development Loans	7	11,676
Investments (New)	1	750*
Investments (Prior Period)	1	4,212**
Donations	29	107
Community Development Services	23	368 hours
<i>Small business and home mortgage lending volumes are based on the combined 2019, 2020, and 2021 lending data, while the community development loans, qualified investments, and community development services are from previous evaluation through December 31, 2021. Qualified investments also include those from prior periods that remain outstanding.</i> <i>* The bank invested in a regionally-based investment fund supporting affordable housing, of which \$750,000 benefited the Greenville MSA assessment area.</i> <i>** The bank invested in a regionally-based investment fund in the prior rating period supporting affordable housing, of which \$4.2 million benefited the Greenville MSA assessment area.</i>		

Geographic Distribution and Borrower Profile

Geographic Distribution of Home Mortgage Loans Greenville MSA Assessment Area						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low	4.5	5.8	9	4.8	2,778	6.2
Moderate	19.5	9.6	26	13.8	4,696	10.5
Middle	40.3	43.1	74	39.2	19,100	42.6
Upper	35.7	41.5	80	42.3	18,290	40.8
Totals	100.0	100.0	189	100.0	44,863	100.0
<i>Source: 2015 ACS; 2020 HMDA Data; and, 2020 HMDA Aggregate Data.</i> <i>Due to rounding, totals may not equal 100.0 percent.</i>						

Geographic Distribution of Small Business Loans Greenville MSA Assessment Area						
Tract Income Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
Low	16.6	15.5	89	21.0	15,832	26.4
Moderate	16.3	15.4	64	15.1	9,675	16.1
Middle	36.8	38.2	141	33.3	20,322	33.9
Upper	30.2	30.9	129	30.5	14,199	23.7
Totals	100.0	100.0	423	100.0	60,028	100.0
<i>Source: 2015 ACS; 2020 CRA Data; and, 2020 CRA Aggregate Data. Due to rounding, totals may not equal 100.0 percent.</i>						

Distribution of Home Mortgage Loans by Borrower Income Greenville MSA Assessment Area						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low	24.2	3.6	4	2.1	549	1.2
Moderate	16.2	14.3	17	9.0	1,478	3.3
Middle	17.5	19.5	25	13.2	2,774	6.2
Upper	42.1	42.4	119	63.0	31,025	69.2
Not Available	0.0	20.1	24	12.7	9,037	20.1
Totals	100.0	100.0	189	100.0	44,863	100.0
<i>Source: 2015 ACS; 2020 HMDA Data; and, 2020 HMDA Aggregate Data. Due to rounding, totals may not equal 100.0 percent.</i>						

Distribution of Small Business Loans by Gross Annual Revenue Category Greenville MSA Assessment Area						
Gross Revenue Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
<=\$1,000,000	85.2	39.2	169	40.0	13,781	23.0
>\$1,000,000	3.9	--	143	33.8	40,650	67.7
Revenue Not Available	10.9	--	111	26.2	5,597	9.3
Totals	100.0	100.0	423	100.0	60,028	100.0
<i>Source: 2020 D&B Data; 2020 CRA Data; and, 2020 CRA Aggregate Data. "--" data not available.</i>						

Jacksonville MSA Assessment Area

The Jacksonville, NC MSA consists of a single county (Onslow), which the bank has delineated as the Jacksonville MSA assessment area. First-Citizens Bank operates seven branches in this assessment area, which accounts for 3.6 percent of state-wide branches. In addition, the assessment area accounts for 1.8 percent of state-wide lending and 2.9 percent of state-wide deposits. The following activities occurred in the assessment area during the review period.

Activity	#	\$(000s)
Home Mortgage Loans	396	69,659
Small Business Loans	894	93,157
Community Development Loans	4	800
Investments (New)	--	--
Investments (Prior Period)	--	--
Donations	11	44
Community Development Services	9	130 hours
<i>Small business and home mortgage lending volumes are based on the combined 2019, 2020, and 2021 lending data, while the community development loans, qualified investments, and community development services are from previous evaluation through December 31, 2021. Qualified investments also include those from prior periods that remain outstanding.</i>		

Geographic Distribution and Borrower Profile

Geographic Distribution of Home Mortgage Loans Jacksonville Assessment Area						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Moderate	3.8	2.0	4	3.6	861	4.4
Middle	76.3	79.2	64	58.2	9,915	51.1
Upper	19.9	18.8	42	38.2	8,633	44.5
Totals	100.0	100.0	110	100.0	19,409	100.0
<i>Source: 2015 ACS; 2020 HMDA Data; and, 2020 HMDA Aggregate Data.</i>						

Geographic Distribution of Small Business Loans Jacksonville MSA Assessment Area						
Tract Income Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
Moderate	11.7	9.2	39	9.0	4,240	8.9
Middle	68.2	70.4	266	61.3	29,043	61.3
Upper	19.3	20.3	129	29.7	14,098	29.8
Not Available	0.8	0.1	0	0.0	0	0.0
Totals	100.0	100.0	434	100.0	47,381	100.0

Source: 2015 ACS; 2020 CRA Data; and, 2020 CRA Aggregate Data.

Distribution of Home Mortgage Loans by Borrower Income Jacksonville Assessment Area						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low	18.2	1.3	2	1.8	124	0.6
Moderate	18.6	8.4	9	8.2	690	3.6
Middle	23.9	17.5	19	17.3	2,813	14.5
Upper	39.3	27.6	73	66.4	13,744	70.8
Not Available	0.0	45.2	7	6.4	2,038	10.5
Totals	100.0	100.0	110	100.0	19,409	100.0

Source: 2015 ACS; 2020 HMDA Data; and, 2020 HMDA Aggregate Data.
Due to rounding, totals may not equal 100.0 percent.

Distribution of Small Business Loans by Gross Annual Revenue Category Jacksonville MSA Assessment Area						
Gross Revenue Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
<=\$1,000,000	86.6	36.6	210	48.4	14,167	29.9
>\$1,000,000	2.9	--	140	32.3	27,426	57.9
Revenue Not Available	10.5	--	84	19.4	5,788	12.2
Totals	100.0	100.0	434	100.0	47,381	100.0

Source: 2020 D&B Data; 2020 CRA Data; and, 2020 CRA Aggregate Data.
"--" data not available.
Due to rounding, totals may not equal 100.0 percent.

New Bern MSA Assessment Area

The New Bern, NC MSA is comprised of three counties; however, the bank has delineated two counties (Craven and Pamlico) as the New Bern MSA assessment area. First-Citizens Bank operates six branches in this assessment area, which accounts for 3.1 percent of state-wide branches. In addition, the assessment area accounts for 3.3 percent of state-wide lending and 2.8 percent of state-wide deposits.

The following activities occurred in the assessment area during the review period.

Activity	#	\$(000s)
Home Mortgage Loans	926	192,573
Small Business Loans	835	95,410
Community Development Loans	2	1,370
Investments (New)	1	8,000
Investments (Prior Period)	--	--
Donations	29	33
Community Development Services	8	80 hours
<i>Small business and home mortgage lending volumes are based on the combined 2019, 2020, and 2021 lending data, while the community development loans, qualified investments, and community development services are from previous evaluation through December 31, 2021. Qualified investments also include those from prior periods that remain outstanding.</i>		

Geographic Distribution and Borrower Profile

Geographic Distribution of Home Mortgage Loans New Bern MSA Assessment Area						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low	2.3	2.4	16	5.3	4,409	7.2
Moderate	10.8	4.0	16	5.3	1,923	3.1
Middle	52.8	44.2	139	46.2	24,138	39.5
Upper	34.0	49.4	130	43.2	30,674	50.2
Totals	100.0	100.0	301	100.0	61,145	100.0
<i>Source: 2015 ACS; 2020 HMDA Data; and, 2020 HMDA Aggregate Data. Due to rounding, totals may not equal 100.0 percent.</i>						

Geographic Distribution of Small Business Loans New Bern MSA Assessment Area						
Tract Income Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
Low	8.7	9.3	28	7.6	3,975	8.8
Moderate	7.6	8.6	36	9.8	3,538	7.8
Middle	53.2	52.1	186	50.8	25,340	55.8
Upper	30.4	30.0	116	31.7	12,548	27.6
Totals	100.0	100.0	366	100.0	45,401	100.0
<i>Source: 2015 ACS; 2020 CRA Data; and, 2020 CRA Aggregate Data. Due to rounding, totals may not equal 100.0 percent.</i>						

Distribution of Home Mortgage Loans by Borrower Income New Bern MSA Assessment Area						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low	19.2	3.9	8	2.7	574	0.9
Moderate	19.3	13.8	37	12.3	4,030	6.6
Middle	19.4	20.0	55	18.3	7,256	11.9
Upper	42.1	35.7	186	61.8	45,909	75.1
Not Available	0.0	26.6	15	5.0	3,375	5.5
Totals	100.0	100.0	301	100.0	61,145	100.0
<i>Source: 2015 ACS; 2020 HMDA Data; and, 2020 HMDA Aggregate Data. Due to rounding, totals may not equal 100.0 percent.</i>						

Distribution of Small Business Loans by Gross Annual Revenue Category New Bern MSA Assessment Area						
Gross Revenue Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
<=\$1,000,000	84.8	40.4	178	48.6	15,334	33.8
>\$1,000,000	4.0	--	113	30.9	25,079	55.2
Revenue Not Available	11.2	--	75	20.5	4,988	11.0
Totals	100.0	100.0	366	100.0	45,401	100.0
<i>Source: 2020 D&B Data; 2020 CRA Data; and, 2020 CRA Aggregate Data. "--" data not available.</i>						

Rocky Mount MSA Assessment Area

The Rocky Mount, NC MSA comprises two counties; however, the bank has delineated one county (Nash) as the Rocky Mount MSA assessment area. First-Citizens Bank operates one branch in this assessment area, which accounts for 0.5 percent of state-wide branches. In addition, the assessment area accounts for 0.3 percent of state-wide lending and 0.6 percent of state-wide deposits.

The following activities occurred in the assessment area during the review period.

Activity	#	\$(000s)
Home Mortgage Loans	116	14,659
Small Business Loans	132	9,857
Community Development Loans	-	-
Investments (New)	1	500*
Investments (Prior Period)	--	--
Donations	3	<1
Community Development Services	2	2 hours
<i>Small business and home mortgage lending volumes are based on the combined 2019, 2020, and 2021 lending data, while the community development loans, qualified investments, and community development services are from previous evaluation through December 31, 2021. Qualified investments also include those from prior periods that remain outstanding.</i> <i>* The bank invested in a regionally-based investment fund supporting affordable housing, of which \$500,000 benefited the Rocky Mount MSA assessment area.</i>		

Geographic Distribution and Borrower Profile

Geographic Distribution of Home Mortgage Loans Rocky Mount MSA Assessment Area						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Moderate	2.7	1.0	0	0.0	0	0.0
Middle	61.3	56.4	27	71.1	2,259	61.8
Upper	36.0	42.6	11	28.9	1,394	38.2
Totals	100.0	100.0	38	100.0	3,653	100.0
<i>Source: 2015 ACS; 2020 HMDA Data; and, 2020 HMDA Aggregate Data.</i>						

Geographic Distribution of Small Business Loans Rocky Mount MSA Assessment Area						
Tract Income Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
Moderate	3.9	4.5	4	7.5	280	7.3
Middle	69.1	67.4	43	81.1	2,854	74.1
Upper	27.0	28.2	6	11.3	720	18.7
Totals	100.0	100.0	53	100.0	3,854	100.0
<i>Source: 2015 ACS; 2020 CRA Data; and, 2020 CRA Aggregate Data. Due to rounding, totals may not equal 100.0 percent.</i>						

Distribution of Home Mortgage Loans by Borrower Income Rocky Mount MSA Assessment Area						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low	18.9	2.3	4	10.5	277	7.6
Moderate	15.4	14.4	5	13.2	572	15.7
Middle	20.5	20.5	10	26.3	905	24.8
Upper	45.2	39.8	17	44.7	1,792	49.1
Not Available	0.0	23.0	2	5.3	106	2.9
Totals	100.0	100.0	38	100.0	3,653	100.0
<i>Source: 2015 ACS; 2020 HMDA Data; and, 2020 HMDA Aggregate Data. Due to rounding, totals may not equal 100.0 percent.</i>						

Distribution of Small Business Loans by Gross Annual Revenue Category Rocky Mount MSA Assessment Area						
Gross Revenue Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
<=\$1,000,000	82.7	30.3	27	50.9	1,012	26.3
>\$1,000,000	5.0	--	11	20.8	1,250	32.4
Revenue Not Available	12.3	--	15	28.3	1,592	41.3
Totals	100.0	100.0	53	100.0	3,854	100.0
<i>Source: 2020 D&B Data; 2020 CRA Data; and, 2020 CRA Aggregate Data. "--" data not available.</i>						

Winston-Salem MSA Assessment Area

The Winston-Salem, NC MSA comprises five counties; however, the bank has delineated three counties (Forsyth, Stokes, and Yadkin) as the Winston-Salem MSA assessment area. First-Citizens Bank operates nine branches in this assessment area, which accounts for 4.7 percent of state-wide branches. In addition, the assessment area accounts for 4.1 percent of state-wide lending and 5.1 percent of state-wide deposits.

The following activities occurred in the assessment area during the review period.

Activity	#	\$(000s)
Home Mortgage Loans	1,096	185,752
Small Business Loans	1,597	175,283
Community Development Loans	2	1,440
Investments (New)	1	1,000*
Investments (Prior Period)	--	--
Donations	26	128
Community Development Services	45	638 hours
<i>Small business and home mortgage lending volumes are based on the combined 2019, 2020, and 2021 lending data, while the community development loans, qualified investments, and community development services are from previous evaluation through December 31, 2021. Qualified investments also include those from prior periods that remain outstanding.</i>		
<i>* The bank participated in a regionally-based investment fund supporting affordable housing, of which \$1.0 million benefited the Winston-Salem MSA assessment area.</i>		

Geographic Distribution and Borrower Profile

Geographic Distribution of Home Mortgage Loans Winston-Salem MSA Assessment Area						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low	3.8	1.9	8	2.0	1,044	1.5
Moderate	18.7	12.6	37	9.3	4,544	6.4
Middle	37.3	32.3	137	34.3	17,197	24.2
Upper	40.2	53.1	216	54.1	48,300	67.8
Not Available	0.1	0.1	1	0.3	115	0.2
Totals	100.0	100.0	399	100.0	71,198	100.0
<i>Source: 2015 ACS; 2020 HMDA Data; and, 2020 HMDA Aggregate Data. Due to rounding, totals may not equal 100.0 percent.</i>						

Geographic Distribution of Small Business Loans Winston-Salem MSA Assessment Area						
Tract Income Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
Low	5.7	5.5	37	5.2	7,448	8.9
Moderate	17.4	16.7	77	10.7	9,632	11.5
Middle	32.7	34.6	292	40.7	32,051	38.3
Upper	43.4	42.3	301	42.0	31,947	38.1
Not Available	0.8	0.9	10	1.4	2,694	3.2
Totals	100.0	100.0	717	100.0	83,772	100.0

Source: 2015 ACS; 2020 CRA Data; and, 2020 CRA Aggregate Data.

Distribution of Home Mortgage Loans by Borrower Income Winston-Salem MSA Assessment Area						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low	23.2	4.7	21	5.3	1,738	2.4
Moderate	16.6	15.8	64	16.0	6,703	9.4
Middle	18.3	20.9	80	20.1	10,379	14.6
Upper	42.0	41.4	212	53.1	48,624	68.3
Not Available	0.0	17.3	22	5.5	3,755	5.3
Totals	100.0	100.0	399	100.0	71,198	100.0

Source: 2015 ACS; 2020 HMDA Data; and, 2020 HMDA Aggregate Data.
Due to rounding, totals may not equal 100.0 percent.

Distribution of Small Business Loans by Gross Annual Revenue Category Winston-Salem MSA Assessment Area						
Gross Revenue Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
<=\$1,000,000	86.0	41.4	288	40.2	22,893	27.3
>\$1,000,000	4.5	--	241	33.6	50,421	60.2
Revenue Not Available	9.5	--	188	26.2	10,458	12.5
Totals	100.0	100.0	717	100.0	83,772	100.0

Source: 2020 D&B Data; 2020 CRA Data; and, 2020 CRA Aggregate Data.
"--" data not available.
Due to rounding, totals may not equal 100.0 percent.

Virginia Beach MSA Assessment Area

The Virginia Beach-Norfolk-Newport News MSA comprises three counties; however, the bank has delineated one county (Gates) as the Virginia Beach MSA assessment area. First-Citizens Bank operates one branch in this assessment area, which accounts for 0.5 percent of state-wide branches. In addition, the assessment area accounts for 0.1 percent of state-wide lending and 0.2 percent of state-wide deposits.

The following activities occurred in the assessment area during the review period.

Activity	#	\$(000s)
Home Mortgage Loans	15	1,567
Small Business Loans	43	2,589
Community Development Loans	1	1,241
Investments (New)	--	--
Investments (Prior Period)	--	--
Donations	--	--
Community Development Services	4	9 hours

Small business and home mortgage lending volumes are based on the combined 2019, 2020, and 2021 lending data, while the community development loans, qualified investments, and community development services are from previous evaluation through December 31, 2021. Qualified investments also include those from prior periods that remain outstanding.

Geographic Distribution and Borrower Profile

Geographic Distribution of Home Mortgage Loans Virginia Beach MSA Assessment Area						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Moderate	38.0	35.3	3	75.0	225	88.2
Middle	62.0	64.7	1	25.0	30	11.8
Totals	100.0	100.0	4	100.0	255	100.0

Source: 2015 ACS; 2020 HMDA Data; and, 2020 HMDA Aggregate Data.

Geographic Distribution of Small Business Loans Virginia Beach MSA Assessment Area						
Tract Income Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
Moderate	39.7	45.3	19	82.6	1,280	87.4
Middle	60.3	54.7	4	17.4	184	12.6
Totals	100.0	100.0	23	100.0	1,464	100.0

Source: 2015 ACS; 2020 CRA Data; and, 2020 CRA Aggregate Data.

Distribution of Home Mortgage Loans by Borrower Income Virginia Beach MSA Assessment Area						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low	27.9	7.1	1	25.0	30	11.8
Moderate	23.4	23.2	0	0.0	0	0.0
Middle	20.8	19.5	2	50.0	175	68.6
Upper	28.0	19.5	1	25.0	50	19.6
Not Available	0.0	30.8	0	0.0	0	0.0
Totals	100.0	100.0	4	100.0	255	100.0
<i>Source: 2015 ACS; 2020 HMDA Data; and, 2020 HMDA Aggregate Data. Due to rounding, totals may not equal 100.0 percent.</i>						

Distribution of Small Business Loans by Gross Annual Revenue Category Virginia Beach MSA Assessment Area						
Gross Revenue Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
<=\$1,000,000	80.7	30.2	7	30.4	524	35.8
>\$1,000,000	5.0	--	5	21.7	560	38.3
Revenue Not Available	14.2	--	11	47.8	380	26.0
Totals	100.0	100.0	23	100.0	1,464	100.0
<i>Source: 2020 D&B Data; 2020 CRA Data; and, 2020 CRA Aggregate Data. "--" data not available. Due to rounding, totals may not equal 100.0 percent.</i>						

SOUTH CAROLINA

CRA RATING FOR SOUTH CAROLINA: SATISFACTORY

The Lending Test is rated: High Satisfactory

The Investment Test is rated: Low Satisfactory

The Service Test is rated: High Satisfactory

DESCRIPTION OF INSTITUTION'S OPERATIONS IN SOUTH CAROLINA

The evaluation of the South Carolina performance considered the operations of First-Citizens Bank in eight assessment areas, which are detailed in the Description of Assessment Areas table. Changes in branch locations, mergers, or acquisitions since the last evaluation have not affected the assessment areas in South Carolina. However, due to OMB changes in 2020, Clarendon County was removed from the SC Non-MSA assessment area and added to the Sumter MSA assessment area. The bank operates 104 or 19.8 percent of its bank-wide branch offices in South Carolina. South Carolina accounts for 20.4 percent of bank-wide loans by dollar volume, 21.5 percent of bank-wide loans by number, and 18.9 percent of the bank-wide deposits. Overall, First-Citizens Bank ranks 4th in the state in deposit market share at 9.3 percent. Competitor institutions in the assessment areas include Wells Fargo Bank, NA; Bank of America, NA; and Truist Bank. Together, the three competitor institutions account for 45.4 percent of the market share.

SCOPE OF EVALUATION – SOUTH CAROLINA

Examiners conducted full-scope reviews of performance in the Columbia MSA, Charleston MSA, and SC Non-MSA assessment areas. A significant portion of the loans (64.6 percent), deposits (64.7 percent), and branches (61.5 percent) in South Carolina are concentrated in these assessment areas. The overall conclusions, analysis, and ratings for South Carolina are predicated primarily on performance within these three assessment areas. Overall, the Columbia MSA assessment area accounts for significant operations when considering lending, deposits, and branching. Therefore, the Columbia MSA assessment area was afforded the most weight in the overall analysis, conclusions, and ratings. The SC Non-MSA and the Charleston MSA assessment areas provide secondary, but significant weight, given the level of operations. Limited-scope areas include the Greenville, Spartanburg, Florence, Hilton Head, and Sumter MSA assessment areas, with the Greenville MSA assessment area receiving lesser weight overall, and the other assessment areas receiving limited weight.

Home mortgage and small business are the primary loans types in South Carolina by number of loans. Home mortgage loans account for 46.7 percent, and small business loans account for 51.4 percent of loans originated in South Carolina. However, the product mix and weighting varied within the full-scope assessment areas, with small business loans as the primary product in the Charleston MSA and SC Non-MSA assessment areas, and home mortgage loans in the Columbia MSA assessment area. Small farm loans were only analyzed in the Columbia MSA and SC Non-MSA assessment areas as there were a nominal number and dollar volume in the other South Carolina assessment areas. However, even in the Columbia MSA and SC Non-MSA assessment areas, small farms loans carry limited weight given significantly fewer originations.

CONCLUSIONS ON PERFORMANCE CRITERIA IN SOUTH CAROLINA

LENDING TEST

The Lending Test rating for South Carolina is High Satisfactory. Lending levels reflect good responsiveness to the South Carolina assessment areas' credit needs. The geographic distribution reflects good penetration throughout the assessment areas, and the borrower profile reflects good distribution of lending among borrowers of different incomes and businesses and farms of different sizes. The institution uses innovative and/or flexible lending practices and is a leader in making community development loans. The overall lending performance in each full-scope assessment area is consistent.

Lending Activity

Lending levels reflect good responsiveness to the South Carolina MSA assessment areas' credit needs. The tables presented in each assessment area detail the number and dollar volume of home mortgage, small business, and small farm loans originated for 2020.

Geographic Distribution

The overall geographic distribution of home mortgage, small business, and small farm loans is good.

The geographic distribution of each loan product reviewed reflects good distribution throughout the assessment areas. Overall, the performance is supported by good performance in the Columbia MSA and SC Non-MSA assessment areas and adequate performance in the Charleston MSA assessment area.

Borrower Profile

The overall distribution of home mortgage loans to borrowers of different incomes and small business and farm loans to borrowers of different incomes and businesses and farms of different sizes is good.

The distribution of home mortgage loans is adequate among borrowers of different income levels with good performance assigned to small business lending and excellent performance for the small farm lending. Overall, the performance is supported by good performance in the Columbia MSA and SC Non-MSA assessment areas and adequate performance in the Charleston MSA assessment area.

Community Development Loans

First-Citizens Bank is a leader in making community development loans in South Carolina. During this evaluation period, the bank originated 82 community development loans totaling \$194.5 million. This represents 14.9 percent by number and 22.6 percent by dollar volume of total bank-wide community development loans. Six loans totaling \$9.5 million were originated outside the

assessment areas but within the broader regional or state-wide area that includes the assessment areas. Since the bank has been responsive to community development needs and opportunities within its assessment areas, the loans were included. Performance in the three full-scope assessment areas was consistent. The analysis for each full-scope South Carolina assessment area includes a detailed discussion of community development loans. Below are examples community development loans originated in the broader state-wide area.

- \$150,000 loan to an organization that provides HUD Approved Assistance Programs, including financial management, budget counseling, and pre-purchase counseling.
- \$1.8 million for the construction of a new business in a moderate-income census tract that will create low- and moderate-income jobs and help stabilize and revitalize the area.

INVESTMENT TEST

The Investment Test is rated Low Satisfactory. First-Citizens Bank has an adequate level of qualified investments in South Carolina. The bank exhibits good responsiveness to credit and community development needs and occasionally uses innovative and/or complex investments to support community development initiatives. Performance in the assessment areas was consistent with the exception of the Columbia MSA assessment area.

Investment and Grant Activity

The bank has an adequate level of qualified investments, donations, and grants of \$21.2 million in South Carolina. This represents 3.3 percent of total bank-wide qualified investments. Investments since the prior evaluation include six investments in regionally-based investment funds totaling \$6.8 million to finance multi-family housing and provide affordable housing, one certificate of deposit of \$250,000 held at an MDI headquartered in South Carolina, and 398 donations or grants totaling approximately \$1.1 million. Prior period investments total \$13.1 million for affordable housing projects. Please refer to each full-scope assessment areas for examples.

SERVICE TEST

The Service Test rating is High Satisfactory in South Carolina. First-Citizens Bank's delivery systems are accessible to essentially all portions of the assessment areas, and the opening and closing of branches has generally not adversely affected the accessibility of its delivery systems, particularly with respect to low- and moderate-income geographies or individuals. Services and business hours do not vary in a way that inconveniences certain portions of the assessment areas, particularly low- and moderate-income geographies, or individuals. The bank provided a relatively high level of community development services. The bank's performance is consistent across the full-scope assessment areas with the exception of the Charleston MSA assessment area.

Accessibility of Delivery Systems

Delivery systems are accessible to essentially all portions of the South Carolina assessment areas. The bank operates 101 full-service and 3 limited-service branches in South Carolina. The conclusions regarding the accessibility of delivery systems for the South Carolina rated area is

consistent with the institution overall. The level of branching within the low-income tracts is comparable to the population located within those tracts. Moderate-income tract branching is above the percentage of the population within those tracts. Additionally, the bank operates 128 ATMs in South Carolina, with 5 ATMs (3.9 percent) in low-income tracts and 35 ATMs (27.3 percent) in moderate-income tracts. The branch distribution by geography income level is shown in the following table.

South Carolina - Branch Distribution by Geography Income Level						
Tract Income Level	Census Tracts		Population		Branches	
	#	%	#	%	#	%
Low	54	6.2	163,897	4.4	4	3.9
Moderate	215	24.8	859,862	23.0	31	29.8
Middle	361	41.5	1,634,749	43.8	39	37.5
Upper	223	25.7	1,048,398	28.1	30	28.8
NA	16	1.8	26,429	0.7	0	0.0
Total	869	100.0	3,733,335	100.0	104	100.0

Source: 2015 ACS Data and Bank Data

Changes in Branch Locations

To the extent changes have been made, the institution’s opening and closing of branches has generally not adversely affected the accessibility of delivery systems, particularly in low- and moderate-income geographies and/or to low- and moderate-income individuals. Since the previous evaluation, the bank has opened or acquired 9 branches and closed 20 branches throughout South Carolina. As shown in the table below, the net effect was a decrease of 1 branch in a moderate-income tract, 6 branches in middle-income tracts, and 4 branches in upper-income tracts. Additional details of changes in branch locations are contained within the full-scope assessment areas in which changes occurred.

Net Distribution of Branch Openings/Closings						
Assessment Area	# of Branch Openings	# of Branch Closings	Income Level of Census Tract (+/-)			
			Low	Moderate	Middle	Upper
Charleston MSA	1	3	0	-1	0	-1
Columbia MSA	1	3	0	-1	-1	0
Florence MSA	0	0	0	0	0	0
Greenville MSA	3	3	0	0	0	0
Hilton Head MSA	1	1	0	0	0	0
Spartanburg MSA	3	3	0	+1	-1	0
Sumter MSA	0	1	0	0	0	-1
SC Non-MSA	0	6	0	0	-4	-2
Total	9	20	0	-1	-6	-4

Source: Bank Data

Community Development Services

First-Citizens Bank provided a relatively high level of community development services in South Carolina. Bank employees and Board members provided 281 instances for 5,624 hours of community development service in South Carolina. These services equate to 0.9 instances and 18.0 hours of community development service per branch per. This performance represented 21.5 percent of the bank-wide community development services by number of hours. The level of community development services is consistent with the percentage of branches within the rated area at 19.8 percent. Employees are involved in community development organizations that primarily provide economic development and community services for low- and moderate-income individuals and areas. The bank provided 277 community development services at the prior evaluation. Refer to each full-scope assessment area for examples.

Community Development Services										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	Hours	#	Hours	#	Hours	#	Hours	#	Hours
Charleston MSA	9	101	21	231	11	162	0	0	41	494
Columbia MSA	14	124	23	634	16	480	4	30	57	1,268
Florence MSA	3	72	31	865	2	25	2	4	38	966
Greenville MSA	4	7	50	884	13	417	7	7	74	1,315
Hilton Head MSA	2	4	2	25	3	6	0	0	7	35
Spartanburg MSA	3	122	8	229	1	2	1	1	13	354
Sumter MSA	1	2	2	96	1	1	1	2	5	101
SC Non-MSA	3	180	19	306	7	200	17	405	46	1,091
South Carolina	39	612	156	3,270	54	1,293	32	449	281	5,624
<i>Source: Bank Data</i>										

COLUMBIA MSA ASSESSMENT AREA – Full-Scope Review

DESCRIPTION OF INSTITUTION’S OPERATIONS IN THE COLUMBIA MSA ASSESSMENT AREA

The Columbia, SC MSA includes six counties; however, the bank has designated five of the counties (Fairfield, Kershaw, Lexington, Richland, and Saluda) as the Columbia MSA assessment area. There have been no changes to this assessment area since the prior evaluation. The bank operates 23 or 22.1 percent of its South Carolina branch offices in the Columbia MSA assessment area. The assessment area also represents 21.8 percent of the state-wide loans and 27.6 percent of state-wide deposits.

Economic and Demographic Data

The assessment area consists of 188 tracts, including 16 low-income tracts, 55 moderate-income tracts, 58 middle-income tracts, and 54 upper-income tracts. Five tracts have no income designation. The following table presents demographic information from the 2015 ACS Census and 2020 D&B data.

Demographic Information for the Columbia MSA Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	188	8.5	29.3	30.9	28.7	2.7
Population by Geography	777,572	5.9	27.3	32.8	31.7	2.3
Housing Units by Geography	331,942	6.6	29.1	33.1	31.1	0.1
Owner-Occupied Units by Geography	195,114	2.8	24.7	35.0	37.5	0.0
Occupied Rental Units by Geography	96,835	13.5	34.7	30.7	21.1	0.0
Vacant Units by Geography	39,993	8.9	36.6	29.7	24.2	0.7
Businesses by Geography	50,011	8.9	23.6	31.5	35.3	0.7
Farms by Geography	1,468	2.5	27.2	36.9	33.4	0.0
Family Distribution by Income Level	188,871	23.0	16.7	19.4	40.9	0.0
Household Distribution by Income Level	291,949	24.2	16.2	17.9	41.6	0.0
Median Family Income - Columbia, SC MSA		\$62,665	Median Housing Value			\$148,595
			Median Gross Rent			\$858
			Families Below Poverty Level			11.9%

Source: 2015 ACS and 2020 D&B Data
Due to rounding, totals may not equal 100.0 percent.
(*) The NA category consists of geographies that have not been assigned an income classification.

The Geographic Distribution criterion compares home mortgage loans to the distribution of owner-occupied housing units and compares small business and small farm loans to the percentage of businesses and farms located in low-, moderate-, middle-, and upper-income tracts. The 2015 ACS data shows a majority of owner-occupied housing units, businesses, and farms are within the

middle- and upper-income tracts, indicating most of the lending opportunities will be in these geographies. The moderate-income tracts contain a good level of owner-occupied housing units, businesses, and farms, while significantly fewer opportunities are indicated in the low-income tracts.

The FFIEC updated, Columbia, SC MSA MFIs were used to analyze home mortgage loans under the Borrower Profile criterion. The following table presents each income category.

Columbia MSA - Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
2019 (\$67,800)	<\$33,900	\$33,900 to <\$54,240	\$54,240 to <\$81,360	≥\$81,360
2020 (\$71,400)	<\$35,700	\$35,700 to <\$57,120	\$57,120 to <\$85,680	≥\$85,680
2021 (\$70,800)	<\$35,400	\$35,400 to <\$56,640	\$56,640 to <\$84,960	≥\$84,960
<i>Source: FFIEC</i>				

The analysis of home mortgage lending by borrower income uses families by income level as a comparison to bank performance. The median housing value is \$148,595, and prices are continuing to rise due to the current economic conditions, which can potentially make housing increasingly unaffordable for low-income individuals. Therefore, lending opportunities to low-income families may be limited.

The analysis of small business and small farm loans under the Borrower Profile criterion compares the distribution of lending by gross annual revenue. The D&B 2020 distributions of businesses and farms based on gross annual revenues are listed below.

Distribution of Small Business and Farms by Gross Annual Revenue Category Columbia MSA Assessment Area		
Gross Revenue Level	% of Businesses	% of Farms
≤\$1,000,000	82.9	96.3
>\$1,000,000	4.8	2.5
Revenue Not Available	12.3	1.2
Totals	100.0	100.0
<i>Source: 2020 D&B Data.</i>		

In 2020, the top industries in the assessment area were Services; Retail Trade; Finance, Insurance, and Real Estate; and Construction. A total of 87.6 percent of businesses in the assessment area had fewer than 10 employees. Top employers in the assessment area during the evaluation period included Prisma Health Midlands, BlueCross BlueShield of SC, Dominion Energy, and Amazon.com, all with over 1,000 employees.

Unemployment rates increased sharply in 2020 due to the COVID-19 pandemic. Unemployment rates dropped significantly in 2021, and the rates in three counties remain below state and national averages. Of the remaining two counties, the 2021 rate in Richland was slightly above the state

average but below the national average; however, the 2021 unemployment rate in Fairfield County was above both the state and national averages.

Unemployment Rates			
Area	2019	2020	2021
	%	%	%
Fairfield County	4.4	7.8	5.9
Kershaw County	2.9	5.2	3.7
Lexington County	2.3	4.2	3.1
Richland County	2.7	5.7	4.2
Saluda County	2.6	4.2	3.2
South Carolina	2.8	6.0	4.0
National Average	3.7	8.1	5.2
<i>Source: Bureau of Labor Statistics</i>			

Competition

The assessment area is highly competitive. According to the FDIC Deposit Market Share data as of June 30, 2021, 24 FDIC-insured institutions operate 159 branches within the assessment area. Of these institutions, First-Citizens Bank ranked 4th with a market share of 9.5 percent. Competitor institutions in the assessment area include Bank of America, NA, Wells Fargo Bank NA, and Truist Bank. Together, the three competitor institutions account for 67.2 percent of the market share.

There is a high level of competition for small business loans within the assessment area. Aggregate data for 2020 shows 143 lenders reported 16,426 small business loans originated or purchased in the assessment area. Overall, First-Citizens Bank ranked 2nd with a 10.8 percent market share by number of loans and 1st with a 16.1 percent market share by dollar volume. The five dominant small business lenders accounted for 50.0 percent of the total market share by number.

There is a high level of competition for home mortgage loans among banks, credit unions, and non-depository mortgage lenders. Aggregate data for 2020 shows 526 lenders reported 43,653 residential mortgage loans originated or purchased in the assessment area. First-Citizens Bank ranked 6th with a market share of 3.0 percent by number. The five dominant home mortgage lenders accounted for 25.8 percent of total market share by number.

There is a moderate level of competition for small farm loans within the assessment area. Aggregate data for 2020 shows 19 lenders reported 167 small farm loans originated or purchased in the assessment area. Overall, First-Citizens Bank ranked 4th with a 7.8 percent market share by number of loans. The five dominant small farm lenders accounted for 65.9 percent of the total market share by number.

Credit and Community Development Needs and Opportunities

A review of demographic and economic data indicates the need for home mortgage and small business loans. In particular, the need for affordable housing for low- and moderate-income families as housing prices have risen sharply and continue to increase. Examiners also determined

the need for small business loans, which is based on the high number of businesses with four or fewer employees and a large majority of businesses reporting gross annual revenues of \$1 million or less.

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE COLUMBIA MSA ASSESSMENT AREA

LENDING TEST

Lending levels in the Columbia MSA assessment area reflect good responsiveness to assessment area credit needs. The geographic distribution reflects good penetration throughout the assessment area, and the borrower profile reflects good distribution of lending among businesses of different sizes, borrowers of different income levels, and farms of different sizes. The institution uses innovative and/or flexible lending practices and is a leader in providing community development loans.

Lending Activity

Lending levels reflect good responsiveness to the assessment area’s credit needs. The tables presented below detail the number and dollar volume of 2020 small business, home mortgage, and small farm loans in this assessment area.

Geographic Distribution

The geographic distribution of loans is good.

Small Business Loans

The geographic distribution of small business loans reflects good penetration throughout the assessment area. Lending in low-income tracts was below the demographic data but exceeded the aggregate lending. For moderate-income tracts, lending mirrored demographics and exceeded the aggregate lending.

Geographic Distribution of Small Business Loans Columbia MSA Assessment Area						
Tract Income Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
Low	8.9	6.9	149	7.5	14,407	8.8
Moderate	23.6	21.1	472	23.7	43,866	26.9
Middle	31.5	31.7	632	31.7	51,319	31.4
Upper	35.3	40.2	736	36.9	53,389	32.7
Not Available	0.7	0.1	4	0.2	202	0.1
Totals	100.0	100.0	1,993	100.0	163,183	100.0

*Source: 2015 ACS; 2020 CRA Data; and, 2020 CRA Aggregate Data.
Due to rounding, totals may not equal 100.0 percent.*

Home Mortgage Loans

The geographic distribution of home mortgage loans is good. Lending in both low-income and moderate-income tracts was below demographic data but slightly above aggregate lending data.

Geographic Distribution of Home Mortgage Loans Columbia MSA Assessment Area						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low	2.8	1.3	21	1.6	1,698	0.7
Moderate	24.7	13.2	183	13.9	21,286	8.4
Middle	35.0	29.7	307	23.3	46,045	18.3
Upper	37.5	55.8	808	61.2	182,840	72.5
Not Available	0.0	0.0	1	0.1	230	0.1
Totals	100.0	100.0	1,320	100.0	252,098	100.0

*Source: 2015 ACS; 2020 HMDA Data; and, 2020 HMDA Aggregate Data.
Due to rounding, totals may not equal 100.0 percent.*

Small Farm Loans

The geographic distribution of small business loans reflects good penetration throughout the assessment area. The bank did not originate any small farm loans in low-income tracts; however, the level of small farms in low-income tracts is limited, and aggregate lending is minimal. Small farm lending in moderate-income tracts significantly exceeded demographics and was above aggregate lending data.

Geographic Distribution of Small Farm Loans Columbia MSA Assessment Area						
Tract Income Level	% of Farms	Aggregate Performance % of #	#	%	\$(000s)	%
Low	2.5	0.6	0	0.0	0	0.0
Moderate	27.2	46.1	13	50.0	893	50.5
Middle	36.9	41.9	8	30.8	814	46.1
Upper	33.4	11.4	5	19.2	60	3.4
Totals	100.0	100.0	26	100.0	1,767	100.0

Source: 2015 ACS; 2020 CRA Data; and, 2020 CRA Aggregate Data.

Borrower Profile

The distribution of small business loans to businesses of different sizes, home mortgage loans to borrowers of different incomes, and small farm loans to farms of different sizes is good.

Small Business Loans

The distribution of small business loans reflects good penetration to businesses with gross annual revenues of \$1 million or less. Lending to small businesses was significantly below demographic data but exceeded aggregate lending data.

Distribution of Small Business Loans by Gross Annual Revenue Category Columbia MSA Assessment Area						
Gross Revenue Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
<=\$1,000,000	82.9	39.0	940	47.2	46,808	28.7
>\$1,000,000	4.8	--	429	21.5	81,433	49.9
Revenue Not Available	12.3	--	624	31.3	34,942	21.4
Totals	100.0	100.0	1,993	100.0	163,183	100.0
<i>Source: 2020 D&B Data; 2020 CRA Data; and, 2020 CRA Aggregate Data. "--" data not available.</i>						

Home Mortgage Loans

The distribution of home mortgage loans reflects adequate penetration among borrowers of different incomes. Lending to low-income borrowers was significantly below the percent of low-income families; however, the bank's performance was comparable to aggregate lending data. Lending to moderate-income borrowers was below both demographic and aggregate data.

Distribution of Home Mortgage Loans by Borrower Income Columbia MSA Assessment Area						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low	23.0	5.6	77	5.8	5,882	2.3
Moderate	16.7	17.2	176	13.3	18,893	7.5
Middle	19.4	18.7	252	19.1	33,098	13.1
Upper	40.9	34.7	782	59.2	188,624	74.8
Not Available	0.0	23.8	33	2.5	5,601	2.2
Totals	100.0	100.0	1,151	100.0	173,900	100.0
<i>Source: 2015 ACS; 2020 HMDA Data; and, 2020 HMDA Aggregate Data. Due to rounding, totals may not equal 100.0 percent.</i>						

Small Farm Loans

The distribution of small farm loans reflects excellent penetration among farms of different sizes. The bank's performance, while well below demographics, substantially exceeds aggregate lending data.

Distribution of Small Farm Loans by Gross Annual Revenue Category Columbia MSA Assessment Area						
Gross Revenue Level	% of Farms	Aggregate Performance % of #	#	%	\$(000s)	%
<=\$1,000,000	96.3	42.5	20	76.9	1,196	67.7
>\$1,000,000	2.5	--	3	11.5	468	26.5
Revenue Not Available	1.2	--	3	11.5	103	5.8
Totals	100.0	100.0	26	100.0	1,767	100.0
<i>Source: 2020 D&B Data; 2020 CRA Data; and, 2020 CRA Aggregate Data. "--" data not available. Due to rounding, totals may not equal 100.0 percent.</i>						

Community Development Loans

First-Citizens Bank is a leader in providing community development loans in the Columbia MSA assessment area. The bank originated 16 community development loans totaling \$37.5 million. This amount represents 19.5 percent by number and 19.3 percent by dollar volume of community development loans originated within South Carolina. Regarding the community development purpose, 1 loan supports affordable housing, 13 loans support community services, and 2 loans support revitalization or stabilization. Examples of community development loans follow.

- \$7.8 million loan to construct a new medical facility located in a low-income census tract.
- \$3.0 million loan to a non-profit cooperative health association that derives a majority of its funds from government programs and helps support community services.
- Three \$750,000 lines of credit to a non-profit that provides community services that target low- and-moderate individuals.

INVESTMENT TEST

First-Citizens Bank has a poor level of qualified investments in the assessment area. The bank exhibits adequate responsiveness to credit and community development needs and occasionally uses innovative and/or complex investments to support community development initiatives.

Investment and Grant Activity

The bank has a poor level of qualified community development investments in the Columbia MSA assessment area. Qualified investments total \$2.7 million or 12.7 percent of South Carolina qualified investments. Investments include \$2.0 million in a regionally-based investment fund supporting affordable housing projects in the assessment area. Additionally, the bank held a certificate of deposit totaling \$250,000 at an MDI located in the assessment area. Further, the bank made 100 donations or grants totaling \$402,071. Of the donations or grants, \$9,150 benefited affordable housing, \$373,421 benefited community services, and \$19,500 benefited economic development. Provided below are examples of donations that benefited the assessment area.

- \$75,780 to a non-profit organization that provides community services to low- and

- moderate-income individuals, which included services to a homeless shelter.
- \$4,500 to an organization that provides economic development opportunities for and economic support to small, women, and minority-owned businesses.

SERVICE TEST

First-Citizens Bank’s delivery systems are readily accessible to essentially all portions of the Columbia MSA assessment area. The institution’s opening and closing of branches has generally not adversely affected the accessibility of its delivery systems. Services and business hours do not vary in a way that inconveniences certain portions of the assessment area, particularly low- and moderate-income geographies, or individuals. The bank provided a relatively high level of community development services.

Accessibility of Delivery Systems

Delivery systems are readily accessible to essentially all portions of the assessment area. The conclusions regarding the accessibility of delivery systems for the assessment area are more favorable than the institution overall and the South Carolina rated area. As provided in the following table, the bank’s level of branches in low-income tracts exceeds the percentage of the population, with branches in moderate-income tracts well above the population level in those tracts. The bank also operates 31 ATMs in the assessment area with 3 ATMs (9.7 percent) in low-income tracts and 9 ATMs (29.0 percent) in moderate-income tracts.

Branch Distribution by Geography Income Level Columbia MSA Assessment Area						
Tract Income Level	Census Tracts		Population		Branches	
	#	%	#	%	#	%
Low	16	8.5	46,114	5.9	2	8.7
Moderate	55	29.3	212,274	27.3	8	34.8
Middle	58	30.9	254,699	32.8	7	30.4
Upper	54	28.7	246,759	31.7	6	26.1
NA	5	2.7	17,726	2.3	0	0.0
Total	188	100.0	777,572	100.0	23	100.0
<i>Source: 2015 ACS Data and Bank Data</i>						

Changes in Branch Locations

To the extent changes have been made, the institution’s opening and closing of branches has generally not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and/or to low- and moderate-income individuals. Since the previous evaluation, the bank opened one branch located in an upper-income tract. The bank closed three branches, with one each located in a moderate-, middle-, and upper-income tract. The branch closed in the moderate-income tract is located approximately 4.4 miles away from the nearest branch, located in a middle-income tract. Additionally, two other branches are located nearby, with one branch located approximately 6.1 miles away in a low-income tract and another branch approximately 6.2 miles away in a moderate-income tract. These branches can reasonably serve the

low- and moderate-income geographies and individuals affected by the moderate-income branch closure.

Community Development Services

First-Citizens Bank provided a relatively high level of community development services in the assessment area. Bank employees and Board members provided 57 instances for 1,268 hours of community development service. These services equate to 0.8 instances and 18.4 hours of community development service per branch per year. This performance accounts for 4.9 percent of the bank-wide community development services and 22.5 percent of state-wide community development services by number of hours. The level of community development services is consistent the percentage of branches within the assessment area at 4.4 percent bank-wide and 22.1 percent state-wide. The bank engaged in 54 instances of community development service at the previous evaluation. The following are examples of community development services provided.

- An employee is on the Board of an agency that helps low- and moderate-income individuals in need of healthcare to connect with local providers.
- An employee is on the Board of a housing authority, while another employee has an advisory role to the Board. The employees have provided multiple homebuyer education presentations to low- and moderate-income individuals.
- An employee is on the Loan Committee of an organization that finances small businesses. Specifically, the employee helps decision funding requests for start-up businesses and expansion through the SBA's 7(a) loan program.

CHARLESTON MSA ASSESSMENT AREA – Full-Scope Review

DESCRIPTION OF INSTITUTION’S OPERATIONS IN THE CHARLESTON MSA ASSESSMENT AREA

The Charleston MSA assessment area consists of the entire Charleston-North Charleston, SC MSA, which includes Berkeley, Charleston, and Dorchester Counties. There have been no changes in this assessment area since the prior evaluation. The bank operates 16 or 15.4 percent of its South Carolina branch offices in the Charleston MSA assessment area. The assessment area also represents 28.8 percent of the state-wide loans and 14.5 percent of state-wide deposits.

Economic and Demographic Data

The assessment area consists of 156 tracts, including 14 low-income tracts, 35 moderate-income tracts, 59 middle-income tracts, and 44 upper-income tracts. Four tracts have no income designation. The following table presents demographic information from the 2015 ACS Census and 2020 D&B data.

Demographic Information for the Charleston MSA Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	156	9.0	22.4	37.8	28.2	2.6
Population by Geography	712,232	6.7	21.4	41.9	29.2	0.8
Housing Units by Geography	309,113	6.7	21.2	40.2	31.1	0.8
Owner-Occupied Units by Geography	173,999	3.3	19.1	42.4	34.9	0.3
Occupied Rental Units by Geography	94,905	12.5	24.4	40.5	21.3	1.4
Vacant Units by Geography	40,209	8.1	22.9	29.9	37.5	1.7
Businesses by Geography	56,496	7.7	18.5	34.1	38.2	1.5
Farms by Geography	1,371	3.7	18.5	45.4	32.1	0.3
Family Distribution by Income Level	173,525	22.6	16.7	19.9	40.8	0.0
Household Distribution by Income Level	268,904	24.5	15.7	17.6	42.2	0.0
Median Family Income - Charleston-North Charleston, SC MSA		\$65,558	Median Housing Value			\$241,873
			Median Gross Rent			\$1,021
			Families Below Poverty Level			11.4%

Source: 2015 ACS and 2020 D&B Data
Due to rounding, totals may not equal 100.0 percent.
(*) The NA category consists of geographies that have not been assigned an income classification.

The Geographic Distribution criterion compares home mortgage loans to the distribution of owner-occupied housing units and compares small business loans to the percentage of businesses located in low-, moderate-, middle-, and upper-income tracts. The 2015 ACS data shows the majority of owner-occupied housing units and businesses are within the middle- and upper-income census

tracts, indicating most of the lending opportunities will be in these geographies. The moderate-income tracts contain a fair level of owner-occupied housing units, businesses, and farms, while significantly fewer opportunities are indicated in the low-income tracts.

The FFIEC updated Charleston-North Charleston MSA MFIs were used to analyze home mortgage loans under the Borrower Profile criterion. The following table presents each income category.

Charleston MSA – Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
2019 (\$77,900)	<\$38,950	\$38,950 to <\$62,320	\$62,320 to <\$93,480	≥\$93,480
2020 (\$81,000)	<\$40,500	\$40,500 to <\$64,800	\$64,800 to <\$97,200	≥\$97,200
2021 (\$82,100)	<\$41,050	\$41,050 to <\$65,680	\$65,680 to <\$98,520	≥\$98,520
<i>Source: FFIEC</i>				

The analysis of home mortgage lending by borrower income uses families by income level as a comparison to bank performance. The median housing value is \$241,873, and prices are continuing to rise due to the current economic conditions, which can potentially make housing increasingly unaffordable for low-income individuals. Therefore, lending opportunities to low-income families may be limited.

The analysis of small business loans under the Borrower Profile criterion compares the distribution of small business lending by gross annual revenue. The D&B 2020 distribution of businesses based on gross annual revenues is listed below.

- 85.0 percent reported \$1 million or less;
- 4.5 percent reported more than \$1 million; and
- 10.5 percent did not report revenues.

In 2020, the top industries in the assessment area were Services; Retail Trade; Finance, Insurance, and Real Estate; and Construction. A total of 88.8 percent of businesses in the assessment area had fewer than 10 employees. Top employers in the assessment area during the evaluation period included Joint Base Charleston, Medical University of Charleston, Roper St. Frances Healthcare, and Boeing, all with over 1,000 employees.

Unemployment rates increased sharply in 2020 due to the COVID-19 pandemic. Unemployment rates dropped significantly in 2021, and rates in all three counties of the assessment area remain below state and national averages.

Unemployment Rates			
Area	2019	2020	2021
	%	%	%
Berkeley County	2.5	5.4	3.7
Charleston County	2.3	6.2	3.6
Dorchester County	2.4	5.7	3.7
South Carolina	2.8	6.0	4.0
National Average	3.7	8.1	5.2
<i>Source: Bureau of Labor Statistics</i>			

Competition

The assessment area is highly competitive for deposits. According to the FDIC Deposit Market Share data as of June 30, 2021, 34 FDIC-insured institutions operate 186 branches within the assessment area. Of these institutions, First-Citizens Bank ranked 5th with a market share of 6.5 percent. Competitor institutions in the assessment areas include Wells Fargo Bank, NA, Bank of America, NA, and South State Bank. Together, the three competitor institutions account for 51.3 percent of the market share.

There is a high level of competition for small business loans within the assessment area. Aggregate data for 2020 shows 190 lenders reported 22,081 small business loans originated or purchased in the assessment area. Overall, First-Citizens Bank ranked 6th with a 4.6 percent market share by number of loans and 1st with a 9.1 percent market share by dollar volume. The five dominant small business lenders accounted for 46.0 percent of the total market share by number.

There is a high level of competition for home mortgage loans among banks, credit unions, and non-depository mortgage lenders. Aggregate data for 2020 shows 649 lenders reported 63,138 residential mortgage loans originated or purchased in the assessment area. First-Citizens Bank ranked 11th with a market share of 1.8 percent. The five dominant home mortgage lenders accounted for 20.2 percent of total market share by number.

Community Contacts

As part of the evaluation process, examiners contact third parties active in the assessment area to assist in identifying the credit needs. This information helps identify credit and community development needs and whether local financial institutions are responsive to those opportunities. One community contact from a business economic development organization was referenced within the Charleston MSA assessment area. The contact indicated that the area was growing quickly due to hiring by major employers in the area, which has resulted in a significant increase in home prices and lack of affordable housing.

Credit and Community Development Needs and Opportunities

Information from the community contact and a review of demographic and economic data indicates the need for home mortgage and small business loans. In particular, the need for affordable housing for low- and moderate-income families as housing prices have risen sharply due to assessment area

growth. Examiners also determined the need for small business loans, which is based on the high number of businesses with four or fewer employees and a majority of businesses reporting gross annual revenues of \$1 million or less.

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE CHARLESTON MSA ASSESSMENT AREA

LENDING TEST

Lending levels in the Charleston MSA assessment area reflect good responsiveness to assessment area credit needs. The geographic distribution reflects adequate penetration throughout the assessment area, and the borrower profile reflects adequate distribution of lending among borrowers of different income levels and businesses of different sizes. The institution uses innovative and/or flexible lending practices and is a leader in providing community develop loans.

Lending Activity

Lending levels reflect good responsiveness to the assessment area’s credit needs. The tables presented below detail the number and dollar volume of 2020 home mortgage and small business loans in this assessment area.

Geographic Distribution

The geographic distribution of loans is adequate.

Home Mortgage Loans

The geographic distribution of home mortgage loans is adequate. The bank’s performance in low-income tracts was below demographic data, but consistent with aggregate data. Performance in moderate-income tracts was well below demographic data but slightly below aggregate data.

Geographic Distribution of Home Mortgage Loans Charleston MSA Assessment Area						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low	3.3	1.8	19	1.7	5,794	1.7
Moderate	19.1	10.4	97	8.7	15,631	4.5
Middle	42.4	44.4	385	34.5	105,137	30.3
Upper	34.9	43.0	607	54.3	217,241	62.5
Not Available	0.3	0.4	9	0.8	3,630	1.0
Totals	100.0	100.0	1,117	100.0	347,433	100.0

Source: 2015 ACS; 2020 HMDA Data; and, 2020 HMDA Aggregate Data.

Small Business Loans

The geographic distribution of small business loans reflects good penetration throughout the assessment area. Lending in low-income tracts was comparable to both demographic and aggregate data. For moderate-income tracts, lending was above demographics and well above aggregate lending.

Geographic Distribution of Small Business Loans Charleston MSA Assessment Area						
Tract Income Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
Low	7.7	7.6	93	7.9	14,090	9.9
Moderate	18.5	15.8	286	24.3	37,249	26.3
Middle	34.1	32.1	412	35.1	43,029	30.4
Upper	38.2	43.0	369	31.4	45,428	32.0
Not Available	1.5	1.6	15	1.3	1,965	1.4
Totals	100.0	100.0	1,175	100.0	141,761	100.0

*Source: 2015 ACS; 2020 CRA Data; and, 2020 CRA Aggregate Data.
Due to rounding, totals may not equal 100.0 percent.*

Borrower Profile

The distribution of home mortgage loans to borrowers of different incomes and small business loans to businesses of different sizes is overall adequate.

Home Mortgage Loans

The distribution of home mortgage loans reflects adequate penetration among borrowers of different incomes. Lending to low-income borrowers was below aggregate data and substantially below demographic data. Lending to moderate-income borrowers was also well below both demographic and aggregate data. Lending in 2019 was more favorable. Lending in low-income tracts at 4.0 percent was just below the aggregate data of 5.3 percent. For moderate-income borrowers, lending stood at 12.9 percent, which was below both aggregate data of 17.6 percent and demographic data of 12.9 percent.

Distribution of Home Mortgage Loans by Borrower Income Charleston MSA Assessment Area						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low	22.6	4.5	29	2.6	2,628	0.8
Moderate	16.7	15.4	96	8.6	16,453	4.7
Middle	19.9	19.0	189	16.9	37,833	10.9
Upper	40.8	36.2	780	69.8	282,110	81.2
Not Available	0.0	24.9	23	2.1	8,409	2.4
Totals	100.0	100.0	1,117	100.0	347,433	100.0

Source: 2015 ACS; 2020 HMDA Data; and, 2020 HMDA Aggregate Data.

Small Business Loans

The distribution of small business loans reflects adequate penetration to businesses with gross annual revenues of \$1 million or less. Lending to businesses with gross annual revenues of \$1 million or less was below significantly below demographic and lower than aggregate lending data but considered within a reasonable range.

Distribution of Small Business Loans by Gross Annual Revenue Category Charleston MSA Assessment Area						
Gross Revenue Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
<=\$1,000,000	85.1	38.6	382	32.5	35,919	25.3
>\$1,000,000	4.5	--	279	23.7	57,584	40.6
Revenue Not Available	10.5	--	514	43.7	48,258	34.0
Totals	100.0	100.0	1,175	100.0	141,761	100.0

*Source: 2020 D&B Data; 2020 CRA Data; and, 2020 CRA Aggregate Data.
"--" data not available.
Due to rounding, totals may not equal 100.0 percent.*

Community Development Loans

First-Citizens Bank is a leader in making community development loans in the Charleston MSA assessment area. The bank originated eight community development loans totaling \$74.4 million. This amount represents 9.8 percent by number and 38.3 percent by dollar volume of community development loans originated within South Carolina. Regarding the community development purpose, three loans support community services, and five loans support revitalization or stabilization. Examples of community development loans follow.

- \$38.5 million to develop and build a 336 unit multi-family project in a moderate-income census tract, which will serve to revitalize and stabilize the geography.
- \$15 million loan to construct and equip a middle school where 67 percent of students are eligible for free and reduced price meals.

INVESTMENT TEST

First-Citizens Bank has an adequate level of qualified investments in the assessment area. The bank exhibits good responsiveness to credit and community development needs and occasionally uses innovative and/or complex investments to support community development initiatives.

Investment and Grant Activity

The bank has an adequate level of qualified investments in the Charleston MSA assessment area. Qualified investments total \$3.7 million or 17.5 percent of South Carolina qualified investments. Investments made by the bank during the rating period include a regionally-based, equity investment fund supporting affordable housing, of which \$1.0 million benefited this assessment area. Additionally, prior period investments include an investment in a nationwide investment fund supporting affordable housing, of which \$2.6 million benefited this assessment area. Further, the bank made 50 donations or grants totaling \$107,175. Of the donations or grants, \$4,000 benefited affordable housing, \$69,975 benefited community services, and \$33,200 benefited economic development. Provided below are examples of donations that benefited the assessment area.

- \$10,000 to an organization that promotes economic development and supports job creation.
- \$1,500 to a not-for-profit community development lender, whose mission is to ensure access to capital for small businesses and affordable housing development.

SERVICE TEST

First-Citizens Bank's delivery systems are reasonably accessible to essentially all portions of the Charleston MSA assessment area. The institution's opening and closing of branches has generally not adversely affected the accessibility of its delivery systems. Services and business hours do not vary in a way that inconveniences certain portions of the assessment area, particularly low- and moderate-income geographies, or individuals. The bank provided an adequate level of community development services.

Accessibility of Delivery Systems

Delivery systems are reasonably accessible to essentially all portions of the assessment area. The conclusions regarding the accessibility of delivery systems for the assessment area are less favorable than the institution overall and the South Carolina rated area. As provided in the following table, the bank has no branches in the low-income tracts with 6.7 percent of the population. However, in the moderate-income tracts, First-Citizens Bank operates 5 branches, which is well above the percentage of the population. The bank also operates 16 ATMs in the assessment area with 5 ATMs (31.3 percent) in moderate-income tracts. None of the ATMs are in low-income tracts.

Branch Distribution by Geography Income Level Charleston MSA Assessment Area						
Tract Income Level	Census Tracts		Population		Branches	
	#	%	#	%	#	%
Low	14	9.0	47,436	6.7	0	0.0
Moderate	35	22.4	152,704	21.4	5	31.3
Middle	59	37.8	298,498	41.9	6	37.5
Upper	44	28.2	207,848	29.2	5	31.3
NA	4	2.6	5,747	0.8	0	0.0
Total	156	100.0	712,233	100.0	16	100.0
<i>Source: 2015 ACS Data and Bank Data Due to rounding, totals may not add to 100 percent.</i>						

Changes in Branch Locations

To the extent changes have been made, the institution’s opening and closing of branches has generally not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and/or to low- and moderate-income individuals. Since the previous evaluation, the bank opened one branch located in a middle-income tract. The bank closed three branches, with one each located in a moderate-, middle-, and upper-income tract. The branch closed in the moderate-income tract is located approximately 4.0 miles from a branch in a middle-income tract and 7.4 miles from a branch in a moderate-income tract. These branches can reasonably serve the low- and moderate-income geographies and individuals affected by the moderate-income branch closure.

Community Development Services

First-Citizens Bank provided an adequate level of community development services in the assessment area. Bank employees and Board members provided 41 instances for 494 hours of community development service. These services equate to 0.9 instances and 10.3 hours of community development service per branch per year. This performance accounts for 1.9 percent of the bank-wide community development services and 8.8 percent of state-wide community development services by number of hours. The level of community development services is lower than the percentage of bank-wide branches at 3.0 percent bank-wide and the state-wide branches at 15.4 percent. The bank engaged in 52 instances of community development service at the previous evaluation. The following are examples of community development services provided.

- An employee serves on the Loan Committee of a SBA 504 Certified Development Company that provides financing to small businesses by originating long-term, low down-payment fixed-rate loans.
- An employee serves on the Board of a partnership that serves the economically disadvantaged residents through programs and partnerships to provide basic needs assistance.
- An employee serves on the Board of a Community Development Corporation that invests in neighborhoods to generate economic development and establish quality housing.

SC NON-MSA ASSESSMENT AREA – Full-Scope Review

DESCRIPTION OF INSTITUTION’S OPERATIONS IN THE SC NON-MSA ASSESSMENT AREA

The SC Non-MSA assessment area consists of 14 counties, which are detailed in the Description of Assessment Area. Since the prior evaluation, Clarendon County was removed from the SC Non-MSA assessment area and included in the Sumter MSA assessment area in 2020 due to OMB changes. The bank operates 25 or 24.0 percent of its South Carolina branch offices in the SC Non-MSA assessment area. The assessment area also represents 14.0 percent of the state-wide loans and 22.6 percent of state-wide deposits.

Economic and Demographic Data

The assessment area consists of 136 tracts, including 1 low-income tract, 24 moderate-income tracts, 80 middle-income tracts, and 27 upper-income tracts. Four tracts have no income designation. The FFIEC has designated certain Non-MSA middle-income tracts as distressed and/or underserved. The designations for distressed tracts are based on high unemployment, high poverty, and significant population losses. The designations for underserved tracts are based on areas being rural and remote. A total of 72, or 90.0 percent, of the 80 middle-income tracts have been designated as distressed and/or underserved during the evaluation period. The following table presents demographic information from the 2015 ACS Census and 2020 D&B data.

Demographic Information for the SC Non-MSA Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	136	0.7	17.6	58.8	19.9	2.9
Population by Geography	580,033	0.9	19.4	58.5	21.0	0.3
Housing Units by Geography	276,808	0.9	17.8	57.7	23.6	0.0
Owner-Occupied Units by Geography	156,952	0.4	16.4	59.4	23.9	0.0
Occupied Rental Units by Geography	63,210	2.1	24.7	55.4	17.8	0.0
Vacant Units by Geography	56,646	1.2	14.1	55.4	29.2	0.0
Businesses by Geography	28,491	0.6	16.7	52.5	30.1	0.0
Farms by Geography	1,387	0.1	15.0	65.7	19.2	0.0
Family Distribution by Income Level	148,556	22.7	16.9	18.1	42.3	0.0
Household Distribution by Income Level	220,162	25.2	15.2	16.5	43.1	0.0
Median Family Income Non-MSAs - SC		\$44,609	Median Housing Value			\$112,890
			Median Gross Rent			\$624
			Families Below Poverty Level			18.8%
<i>Source: 2015 ACS and 2020 D&B Data Due to rounding, totals may not equal 100.0 percent. (*) The NA category consists of geographies that have not been assigned an income classification.</i>						

The Geographic Distribution criterion compares home mortgage loans to the distribution of owner-occupied housing units and compares small business and small farm loans to the percentage of businesses and farms located in low-, moderate-, middle-, and upper-income tracts. The 2015 ACS data shows the vast majority of owner-occupied housing units, businesses, and farms are within the middle- and upper-income tracts, indicating most of the lending opportunities will be in these geographies. The moderate-income tracts contain a fair level of owner-occupied housing units, businesses, and farms, while significantly fewer opportunities are indicated in the low-income tracts.

The FFIEC updated SC Non-MSA MFIs were used to analyze home mortgage loans under the Borrower Profile criterion. The following table presents each income category.

SC Non-MSA - Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
2019 (\$48,700)	<\$24,350	\$24,350 to <\$38,960	\$38,960 to <\$58,440	≥\$58,440
2020 (\$50,600)	<\$25,300	\$25,300 to <\$40,480	\$40,480 to <\$60,720	≥\$60,720
2021 (\$52,100)	<\$26,050	\$26,050 to <\$41,680	\$41,680 to <\$62,520	≥\$62,520

Source: FFIEC

The analysis of home mortgage lending by borrower income uses families by income level as a comparison to bank performance. The median housing value is \$112,890 which appears to be more affordable; however, prices are continuing to rise due to the current economic conditions, which can potentially make housing unaffordable for low-income individuals. Therefore, lending opportunities to low-income families may be limited.

The analysis of small business and small farm loans under the Borrower Profile criterion compares the distribution of lending by gross annual revenue. The D&B 2020 distributions of businesses and farms based on gross annual revenues are listed below.

Distribution of Small Business and Farms by Gross Annual Revenue Category SC Non-MSA Assessment Area		
Gross Revenue Level	% of Businesses	% of Farms
<=\$1,000,000	81.3	96.7
>\$1,000,000	4.6	1.9
Revenue Not Available	14.1	1.4
Totals	100.0	100.0

Source: 2020 D&B Data.

In 2020, the top industries in the assessment area were Services; Retail Trade; Finance, Insurance, and Real Estate; and, Construction. A total of 87.8 percent of businesses in the assessment area had fewer than 10 employees. Top employer information was unavailable for this Non-MSA assessment area.

Unemployment rates increased sharply in 2020 due to the COVID-19 pandemic. Unemployment rates dropped significantly in 2021; however, rates in several counties remain elevated above both state and national averages with Marlboro, Marion, Orangeburg, and Barnwell Counties have rates well above both averages.

Unemployment Rates			
Area	2019	2020	2021
	%	%	%
Abbeville County	3.3	6.4	4.6
Barnwell County	4.2	7.2	6.5
Chesterfield County	4.8	5.9	4.5
Dillion County	4.0	6.0	5.8
Georgetown County	3.7	7.3	4.8
Greenwood County	3.0	6.2	4.6
Lee County	3.9	7.4	5.6
McCormick County	3.0	6.5	4.9
Marion County	4.2	7.6	6.7
Marlboro County	4.7	9.4	7.8
Newberry County	2.6	4.6	3.3
Oconee County	2.7	5.2	3.7
Orangeburg County	4.6	8.8	7.1
Williamsburg County	4.4	8.0	6.2
South Carolina	2.8	6.0	4.0
National Average	3.7	8.1	5.2
<i>Source: Bureau of Labor Statistics</i>			

Competition

The assessment area is moderately competitive. According to the FDIC Deposit Market Share data as of June 30, 2021, 35 FDIC-insured institutions operate 148 branches within the assessment area. Of these institutions, First-Citizens Bank ranked 1st with a market share of 21.3 percent. Competitor institutions in the assessment area include South State Bank, Wells Fargo Bank, NA, and Truist Bank. Together, the three competitor institutions account for 31.8 percent of the market share.

There is a moderate level of competition for small business loans within the assessment area. Aggregate data for 2020 shows 113 lenders reported 7,348 small business loans originated or purchased in the assessment area. Overall, First-Citizens Bank ranked 1st with a 16.9 percent market share by number of loans and 1st with a 24.8 percent market share by dollar volume. The five dominant small business lenders accounted for 50.0 percent of the total market share by number.

There is a higher level of competition for home mortgage loans among banks, credit unions, and non-depository mortgage lenders. Aggregate data for 2020 shows 499 lenders reported 15,556 residential mortgage loans originated or purchased in the assessment area. First-Citizens Bank

ranked 2nd with a market share of 5.3 percent. The five dominant home mortgage lenders accounted for 24.1 percent of total market share by number.

There is a modest level of competition for small farm loans within the assessment area. Aggregate data for 2020 shows 19 lenders reported 269 small farm loans originated or purchased in the assessment area. Overall, First-Citizens Bank ranked 2nd with a 23.1 percent market share by number of loans. The five dominant small farm lenders accounted for 77.7 percent of the total market share by number.

Community Contacts

As part of the evaluation process, examiners contact third parties active in the assessment area to assist in identifying the credit needs of the assessment area. This information helps identify credit and community development needs and whether local financial institutions are responsive to those opportunities. One community contact from a business economic development organization was referenced for the SC Non-MSA assessment area. The contact indicated that the area was recovering from the pandemic, and several companies are expanding; however, there is a shortage of affordable, better-quality housing stock, to facilitate economic and population growth.

Credit and Community Development Needs and Opportunities

Information from the community contact and a review of demographic and economic data indicates the need for home mortgage and small business loans. In particular, the need for affordable housing for low- and moderate-income families as housing prices have risen sharply during the economic recovery since the pandemic. Examiners also determined the need for small business loans, which is based on the high number of businesses with four or fewer employees and a majority of businesses reporting gross annual revenues of \$1 million or less.

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE SC NON-MSA ASSESSMENT AREA

LENDING TEST

Lending levels in the SC Non-MSA assessment area reflect good responsiveness to assessment area credit needs. The geographic distribution reflects good penetration throughout the assessment area, and the borrower profile reflects good distribution of lending among businesses of different sizes, borrowers of different income levels, and farms of different sizes. The institution uses innovative and/or flexible lending practices and is a leader in making community development loans.

Lending Activity

Lending levels reflect good responsiveness to the assessment area's credit needs. The tables presented below detail the number and dollar volume of 2020 small business, home mortgage, and small farm loans in this assessment area.

Geographic Distribution

The geographic distribution of loans is good.

Small Business Loans

The geographic distribution of small business loans reflects good penetration throughout the assessment area. Lending in low-income tracts was consistent with demographic and aggregate data, while lending in moderate-income tracts was above demographic and aggregate lending data.

Geographic Distribution of Small Business Loans SC Non-MSA Assessment Area						
Tract Income Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
Low	0.6	0.7	8	0.6	478	0.5
Moderate	16.7	14.2	257	18.6	19,576	18.5
Middle	52.5	48.7	701	50.7	50,809	48.0
Upper	30.1	36.3	417	30.2	35,032	33.1
Totals	100.0	100.0	1,383	100.0	105,895	100.0

*Source: 2015 ACS; 2020 CRA Data; and, 2020 CRA Aggregate Data.
Due to rounding, totals may not equal 100.0 percent.*

Home Mortgage Loans

The geographic distribution of home mortgage loans is good. The bank did not originate any loans in low-income tracts, but this performance was consistent with both demographic and aggregate lending data. Lending in moderate-income tracts was below demographic data but above aggregate lending data.

Geographic Distribution of Home Mortgage Loans SC Non-MSA Assessment Area						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low	0.4	0.0	0	0.0	0	0.0
Moderate	16.4	8.4	85	10.4	9,287	7.0
Middle	59.4	44.3	421	51.6	48,117	36.3
Upper	23.9	47.3	310	38.0	75,015	56.7
Totals	100.0	100.0	816	100.0	132,419	100.0

*Source: 2015 ACS; 2020 HMDA Data; and, 2020 HMDA Aggregate Data.
Due to rounding, totals may not equal 100.0 percent.*

Small Farm Loans

The geographic distribution of small farm loans reflects good penetration throughout the assessment area. The bank made no small farm loans in low-income tracts; however, only 0.1 percent of small farm are in the low-income tract. Lending in moderate-income tracts was well above demographic

and exceeded aggregate lending data.

Geographic Distribution of Small Farm Loans SC Non-MSA Assessment Area						
Tract Income Level	% of Farms	Aggregate Performance % of #	#	%	\$(000s)	%
Low	0.1	0.0	0	0.0	0	0.0
Moderate	15.0	19.8	27	25.2	2,500	19.7
Middle	65.7	66.8	72	67.3	8,668	68.3
Upper	19.2	13.4	8	7.5	1,521	12.0
Totals	100.0	100.0	107	100.0	12,689	100.0

Source: 2015 ACS; 2020 CRA Data; and, 2020 CRA Aggregate Data.

Borrower Profile

The overall distribution of small business loans to businesses of different sizes, home mortgage loans to borrowers of different incomes, and small farm loans to farms of different sizes is good.

Small Business Loans

The distribution of small business loans reflects good penetration to businesses with gross annual revenues of \$1 million or less. Lending to small businesses was significantly below demographic data but exceeded aggregate data.

Distribution of Small Business Loans by Gross Annual Revenue Category SC Non-MSA Assessment Area						
Gross Revenue Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
<=\$1,000,000	81.3	37.9	580	41.9	31,152	29.4
>\$1,000,000	4.6	--	355	25.7	50,749	47.9
Revenue Not Available	14.1	--	448	32.4	23,994	22.7
Totals	100.0	100.0	1,383	100.0	105,895	100.0

*Source: 2020 D&B Data; 2020 CRA Data; and, 2020 CRA Aggregate Data.
"--" data not available.*

Home Mortgage Loans

The distribution of home mortgage loans reflects adequate penetration among borrowers of different incomes. Lending to low-income borrowers was substantially below the percent of low-income families; however, the bank's performance was slightly above aggregate lending data. Lending to moderate-income borrowers was well below demographic data but just below aggregate lending data.

Distribution of Home Mortgage Loans by Borrower Income SC Non-MSA Assessment Area						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low	22.7	2.4	23	2.8	1,177	0.9
Moderate	16.9	9.7	72	8.8	5,036	3.8
Middle	18.1	16.8	130	15.9	13,262	10.0
Upper	42.3	53.2	554	67.9	106,638	80.5
Not Available	0.0	17.9	37	4.5	6,306	4.8
Totals	100.0	100.0	816	100.0	132,419	100.0
Source: 2015 ACS; 2020 HMDA Data; and, 2020 HMDA Aggregate Data. Due to rounding, totals may not equal 100.0 percent.						

Small Farm Loans

The distribution of small farm loans reflects excellent penetration among farms of different sizes. The bank's performance, while lower than demographics, substantially exceeded aggregate lending data.

Distribution of Small Farm Loans by Gross Annual Revenue Category SC Non-MSA Assessment Area						
Gross Revenue Level	% of Farms	Aggregate Performance % of #	#	%	\$(000s)	%
<=\$1,000,000	96.8	40.3	66	61.7	5,973	47.1
>\$1,000,000	1.9	--	39	36.4	6,419	50.6
Revenue Not Available	1.4	--	2	1.9	297	2.3
Totals	100.0	100.0	107	100.0	12,689	100.0
Source: 2020 D&B Data; 2020 CRA Data; and, 2020 CRA Aggregate Data. "--" data not available. Due to rounding, totals may not equal 100.0 percent.						

Community Development Loans

First-Citizens Bank is a leader in making community development loans in the SC Non-MSA assessment area. The bank originated 24 community development loans totaling \$22.3 million. This amount represents 29.3 percent by number and 11.5 percent by dollar volume of community development loans originated within South Carolina. Regarding the community development purpose, 3 loans support affordable housing, 9 loans support community services, and 12 loans support revitalization or stabilization. Examples of community development loans follow.

- \$3.5 million to renovate and help maintain several buildings and provide continuation of employment. The buildings are located in a middle-income census tracts that have been designated as distressed due to poverty.
- \$1.2 million loan to a non-profit that is a federally qualified health center that targets low and moderate-income individuals for health care services.

INVESTMENT TEST

First-Citizens Bank has an adequate level of qualified investments in the assessment area. The bank exhibits good responsiveness to credit and community development needs and occasionally uses innovative and/or complex investments to support community development initiatives.

Investment and Grant Activity

The bank has an adequate level of qualified investments in the SC Non-MSA assessment area. Qualified investments total \$4.9 million or 23.1 percent of South Carolina qualified investments. Investments during the rating period include one regionally-based investment fund supporting affordable housing, of which \$500,000 benefited this assessment area. Additionally, a prior period investment in an investment fund supporting affordable housing totaling \$4.1 million benefited this assessment area. The bank made 104 donations or grants totaling \$295,522. Of the donations or grants, \$2,300 benefited affordable housing, \$223,272 benefited community services, \$30,900 benefited economic development, and \$39,050 benefited revitalization and stabilization. Provided below are examples of donations that benefited the assessment area.

- \$15,000 to an organization that supports economic development by recruiting capital investments and creating jobs.
- \$30,000 to a technical college located in a census tract designated as distressed. Funds were used to assist building and equipping a new facility that supports manufacturing education.

SERVICE TEST

First-Citizens Bank's delivery systems are accessible to essentially all portions of the SC Non-MSA assessment area. The institution's opening and closing of branches has not adversely affected the accessibility of its delivery systems. Services and business hours do not vary in a way that inconveniences certain portions of the assessment area, particularly low- and moderate-income geographies, or individuals. The bank provided an adequate level of community development services.

Accessibility of Delivery Systems

Delivery systems are accessible to essentially all portions of the assessment area. The conclusions regarding the accessibility of delivery systems for the assessment area are consistent with the institution overall and the South Carolina rated area. The bank operates no branches in the only low-income tract; however, the population in the low-income tract is low at 0.8 percent. The bank's branches in moderate-income tracts are comparable to the percentage of the population in those tracts. The bank also operates 35 ATMs in the assessment area with 7 ATMs (20.0 percent) in moderate-income tracts. None of the ATMs are in the only low-income tract.

Branch Distribution by Geography Income Level SC Non-MSA Assessment Area						
Tract Income Level	Census Tracts		Population		Branches	
	#	%	#	%	#	%
Low	1	0.7	4,948	0.8	0	0.0
Moderate	24	17.7	112,314	19.4	5	20.0
Middle	80	58.8	339,588	58.5	12	48.0
Upper	27	19.9	121,601	21.0	8	32.0
NA	4	2.9	1,582	0.3	0	0.0
Total	136	100.0	580,033	100.0	25	100.0
<i>Source: 2015 ACS Data and Bank Data</i>						

Changes in Branch Locations

To the extent changes have been made, the institution’s opening and closing of branches has not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and/or to low- and moderate-income individuals. Since the previous evaluation, the bank closed six branches, with four branches located in middle-income tracts and two branches located in upper-income tracts.

Community Development Services

First-Citizens Bank provided an adequate level of community development services in the assessment area. Bank employees and Board members provided 61 instances for 1,091 hours of community development service. These services equate to 0.6 instances and 14.5 hours of community development service per branch per year. This performance accounts for 4.2 percent of the bank-wide community development services and 19.4 percent of state-wide community development services by number of hours. The level of community development services is comparable than the percentage of bank-wide branches at 4.8 percent bank-wide but lower than the state-wide branches at 24.0 percent. The bank engaged in 61 instances of community development service at the previous evaluation. The following are examples of community development services provided.

- An employee serves on the Board of a county development commission where a majority of the census tracts are moderate-income and distressed and/or underserved middle-income tracts.
- An employee is the Commissioner for a public housing authority that provides affordable housing for low-income families.
- An employee is on the Board of a local food bank.

OTHER ASSESSMENT AREAS – Limited-Scope Review

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE LIMITED-SCOPE ASSESSMENT AREAS

The following table summarizes the conclusions for the five South Carolina assessment areas reviewed using limited-scope examination procedures. Conclusions regarding the institution's CRA performance within the limited-scope areas were derived from reviewing available facts and data, including performance data, aggregate lending data comparisons, and demographic information. The conclusions did not alter the bank's overall performance rating; however, the level of community development services in the Greenville MSA assessment area contributed to the overall performance within the performance criteria given the relatively high level of services provided and the assessment area's level of operations in South Carolina.

Assessment Area	Lending Test	Investment Test	Service Test
Greenville MSA	Below	Consistent	Consistent
Spartanburg MSA	Consistent	Consistent	Consistent
Florence MSA	Consistent	Above	Above
Hilton Head MSA	Below	Below	Consistent
Sumter MSA	Consistent	Below	Consistent

The branch distribution and alternative delivery systems for the limited-scope assessment areas are consistent with or above the overall institution. Additionally, the service hours, loan and deposit products, services, and branch hours do not inconvenience low- and moderate-income individuals or areas.

A summary of First-Citizens Bank's operations and activities for limited-scope areas, as well as geographic distribution and borrower profile data for 2020 are presented below. Demographic data and market share information for the limited-scope assessment areas are detailed in the Appendices.

Greenville MSA Assessment Area

The Greenville-Anderson, SC MSA comprises four counties (Anderson, Greenville, Laurens, and Pickens), which the bank delineated as the Greenville MSA assessment area. First-Citizens Bank operates 18 branches in this assessment area, which accounts for 17.3 percent of state-wide branches. In addition, the assessment area accounts for 18.4 percent of state-wide lending and 15.1 percent of state-wide deposits.

The following activities occurred in the assessment area during the review period.

Activity	#	\$(000s)
Home Mortgage Loans	2,702	529,786
Small Business Loans	3,017	339,670
Community Development Loans	6	2,011
Investments (New)	2	1,250*
Investments (Prior Period)	--	--
Donations	81	147
Community Development Services	74	1,315 hours

Small business and home mortgage lending volumes are based on the combined 2019, 2020, and 2021 lending data, while the community development loans, qualified investments, and community development services are from previous evaluation through December 31, 2021. Qualified investments also include those from prior periods that remain outstanding.
** The bank invested in two regionally-based investment funds supporting affordable housing, of which \$1.3 million benefited the Greenville MSA assessment area.*

Geographic Distribution and Borrower Profile

Geographic Distribution of Home Mortgage Loans Greenville MSA Assessment Area						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low	3.1	2.4	28	2.9	6,478	3.3
Moderate	20.9	12.6	113	11.8	18,471	9.4
Middle	43.6	40.7	362	37.8	68,183	34.6
Upper	32.4	44.4	454	47.4	103,893	52.7
Totals	100.0	100.0	957	100.0	197,024	100.0

*Source: 2015 ACS; 2020 HMDA Data; and, 2020 HMDA Aggregate Data.
Due to rounding, totals may not equal 100.0 percent.*

Geographic Distribution of Small Business Loans Greenville MSA Assessment Area						
Tract Income Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
Low	5.9	5.6	65	4.7	11,060	7.2
Moderate	18.4	15.8	232	16.6	28,789	18.6
Middle	39.2	38.1	588	42.2	57,903	37.5
Upper	36.5	40.6	509	36.5	56,767	36.7
Totals	100.0	100.0	1,394	100.0	154,519	100.0
<i>Source: 2015 ACS; 2020 CRA Data; and, 2020 CRA Aggregate Data. Due to rounding, totals may not equal 100.0 percent.</i>						

Distribution of Home Mortgage Loans by Borrower Income Greenville MSA Assessment Area						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low	22.9	5.3	40	4.2	3,669	1.9
Moderate	17.1	17.6	143	14.9	17,783	9.0
Middle	18.8	20.3	194	20.3	26,430	13.4
Upper	41.2	40.1	546	57.1	139,905	71.0
Not Available	0.0	16.6	34	3.6	9,237	4.7
Totals	100.0	100.0	957	100.0	197,024	100.0
<i>Source: 2015 ACS; 2020 HMDA Data; and, 2020 HMDA Aggregate Data. Due to rounding, totals may not equal 100.0 percent.</i>						

Distribution of Small Business Loans by Gross Annual Revenue Category Greenville MSA Assessment Area						
Gross Revenue Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
<=\$1,000,000	83.1	41.1	528	37.9	44,737	29.0
>\$1,000,000	5.2	--	356	25.5	71,390	46.2
Revenue Not Available	11.7	--	510	36.6	38,392	24.8
Totals	100.0	100.0	1,394	100.0	154,519	100.0
<i>Source: 2020 D&B Data; 2020 CRA Data; and, 2020 CRA Aggregate Data. "--" data not available.</i>						

Spartanburg MSA Assessment Area

The Spartanburg, SC MSA comprises one county (Spartanburg), which the bank delineated as the Spartanburg MSA assessment area. First-Citizens Bank operates 10 branches in this assessment area, which accounts for 9.6 percent of state-wide branches. In addition, the assessment area accounts for 7.2 percent of state-wide lending and 9.7 percent of state-wide deposits.

The following activities occurred in the assessment area during the review period.

Activity	#	\$(000s)
Home Mortgage Loans	1,215	197,366
Small Business Loans	1,379	144,472
Community Development Loans	3	18,703
Investments (New)	--	--
Investments (Prior Period)	1	3,937*
Donations	15	17
Community Development Services	13	354 hours
<i>Small business and home mortgage lending volumes are based on the combined 2019, 2020, and 2021 lending data, while the community development loans, qualified investments, and community development services are from previous evaluation through December 31, 2021. Qualified investments also include those from prior periods that remain outstanding.</i> <i>* The bank participated in one prior period nationwide investment fund supporting affordable housing, of which \$3.9 million benefited the Spartanburg MSA assessment area.</i>		

Geographic Distribution and Borrower Profile

Geographic Distribution of Home Mortgage Loans Spartanburg MSA Assessment Area						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low	2.3	0.9	1	0.2	40	0.1
Moderate	15.6	8.9	36	8.4	3,384	4.4
Middle	47.1	44.7	203	47.2	36,439	47.1
Upper	35.1	45.5	190	44.2	37,524	48.5
Totals	100.0	100.0	430	100.0	77,387	100.0
<i>Source: 2015 ACS; 2020 HMDA Data; and, 2020 HMDA Aggregate Data.</i> <i>Due to rounding, totals may not equal 100.0 percent.</i>						

Geographic Distribution of Small Business Loans Spartanburg MSA Assessment Area						
Tract Income Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
Low	2.3	1.5	7	1.0	707	1.0
Moderate	20.7	18.2	156	22.3	20,941	29.6
Middle	41.1	40.9	292	41.7	23,915	33.8
Upper	35.9	39.4	245	35.0	25,129	35.5
Totals	100.0	100.0	700	100.0	70,692	100.0
<i>Source: 2015 ACS; 2020 CRA Data; and, 2020 CRA Aggregate Data. Due to rounding, totals may not equal 100.0 percent.</i>						

Distribution of Home Mortgage Loans by Borrower Income Spartanburg MSA Assessment Area						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low	21.0	5.7	23	5.3	1,540	2.0
Moderate	17.4	18.9	62	14.4	6,551	8.5
Middle	18.9	22.4	96	22.3	10,390	13.4
Upper	42.7	33.3	236	54.9	48,743	63.0
Not Available	0.0	19.7	13	3.0	10,162	13.1
Totals	100.0	100.0	430	100.0	77,387	100.0
<i>Source: 2015 ACS; 2020 HMDA Data; and, 2020 HMDA Aggregate Data. Due to rounding, totals may not equal 100.0 percent.</i>						

Distribution of Small Business Loans by Gross Annual Revenue Category Spartanburg MSA Assessment Area						
Gross Revenue Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
<=\$1,000,000	81.6	37.7	258	36.9	22,668	32.1
>\$1,000,000	5.9	--	172	24.6	34,087	48.2
Revenue Not Available	12.5	--	270	38.6	13,937	19.7
Totals	100.0	100.0	700	100.0	70,692	100.0
<i>Source: 2020 D&B Data; 2020 CRA Data; and, 2020 CRA Aggregate Data. "--" data not available. Due to rounding, totals may not equal 100.0 percent.</i>						

Florence MSA Assessment Area

The Florence, SC MSA comprises two counties (Darlington and Florence), which the bank delineated as the Florence MSA assessment area. First-Citizens Bank operates six branches in this assessment area, which accounts for 5.8 percent of state-wide branches. In addition, the assessment area accounts for 4.2 percent of state-wide lending and 5.4 percent of state-wide deposits.

The following activities occurred in the assessment area during the review period.

Activity	#	\$(000s)
Home Mortgage Loans	766	114,810
Small Business Loans	753	74,490
Community Development Loans	14	28,633
Investments (New)	2	2,000*
Investments (Prior Period)	1	2,569**
Donations	36	96
Community Development Services	38	966 hours
<i>Small business and home mortgage lending volumes are based on the combined 2019, 2020, and 2021 lending data, while the community development loans, qualified investments, and community development services are from previous evaluation through December 31, 2021. Qualified investments also include those from prior periods that remain outstanding.</i> <i>* The bank invested in two regionally-based investment funds supporting affordable housing, of which \$2.0 million benefited the Florence MSA assessment area.</i> <i>** The bank invested in one prior period nationwide investment fund supporting affordable housing, of which \$2.6 million benefited the Florence MSA assessment area.</i>		

Geographic Distribution and Borrower Profile

Geographic Distribution of Home Mortgage Loans Florence MSA Assessment Area						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low	1.3	0.2	0	0.0	0	0.0
Moderate	16.5	8.8	24	9.5	2,876	7.6
Middle	51.9	42.3	99	39.1	13,296	35.3
Upper	30.3	48.7	130	51.4	21,528	57.1
Totals	100.0	100.0	253	100.0	37,701	100.0
<i>Source: 2015 ACS; 2020 HMDA Data; and, 2020 HMDA Aggregate Data.</i>						

Geographic Distribution of Small Business Loans Florence MSA Assessment Area						
Tract Income Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
Low	3.7	2.6	12	3.2	1,107	3.2
Moderate	24.4	19.9	100	26.5	11,440	32.8
Middle	39.6	42.9	128	33.9	10,538	30.2
Upper	32.2	34.5	138	36.5	11,765	33.8
Not Available	0.1	0.1	0	0.0	0	0.0
Totals	100.0	100.0	378	100.0	34,850	100.0
<i>Source: 2015 ACS; 2020 CRA Data; and, 2020 CRA Aggregate Data. Due to rounding, totals may not equal 100.0 percent.</i>						

Distribution of Home Mortgage Loans by Borrower Income Florence MSA Assessment Area						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low	23.5	3.3	6	2.4	405	1.1
Moderate	16.2	12.6	28	11.1	2,676	7.1
Middle	19.9	17.9	46	18.2	5,581	14.8
Upper	40.4	42.4	168	66.4	28,404	75.3
Not Available	0.0	23.8	5	2.0	635	1.7
Totals	100.0	100.0	253	100.0	37,701	100.0
<i>Source: 2015 ACS; 2020 HMDA Data; and, 2020 HMDA Aggregate Data. Due to rounding, totals may not equal 100.0 percent.</i>						

Distribution of Small Business Loans by Gross Annual Revenue Category Florence MSA Assessment Area						
Gross Revenue Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
<=\$1,000,000	80.6	35.8	134	35.5	6,373	18.3
>\$1,000,000	5.4	--	104	27.5	19,312	55.4
Revenue Not Available	14.0	--	140	37.0	9,165	26.3
Totals	100.0	100.0	378	100.0	34,850	100.0
<i>Source: 2020 D&B Data; 2020 CRA Data; and, 2020 CRA Aggregate Data. "--" data not available.</i>						

Hilton Head MSA Assessment Area

The Hilton Head Island-Bluffton, SC MSA comprises two counties; however, the bank has delineated one county (Beaufort) as the Hilton Head MSA assessment area. First-Citizens Bank operates three branches in this assessment area, which accounts for 2.9 percent of state-wide branches. In addition, the assessment area accounts for 3.5 percent of state-wide lending and 2.8 percent of state-wide deposits.

The following activities occurred in the assessment area during the review period.

Activity	#	\$(000s)
Home Mortgage Loans	470	133,576
Small Business Loans	266	32,319
Community Development Loans	-	-
Investments (New)	--	--
Investments (Prior Period)	--	--
Donations	4	3
Community Development Services	7	35 hours
<i>Small business and home mortgage lending volumes are based on the combined 2019, 2020, and 2021 lending data, while the community development loans, qualified investments, and community development services are from previous evaluation through December 31, 2021. Qualified investments also include those from prior periods that remain outstanding.</i>		

Geographic Distribution and Borrower Profile

Geographic Distribution of Home Mortgage Loans Hilton Head MSA Assessment Area						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Moderate	16.9	9.4	20	11.8	8,223	16.8
Middle	51.4	57.8	88	51.8	21,570	44.2
Upper	31.6	32.8	62	36.5	19,061	39.0
Totals	100.0	100.0	170	100.0	48,854	100.0
<i>Source: 2015 ACS; 2020 HMDA Data; and, 2020 HMDA Aggregate Data. Due to rounding, totals may not equal 100.0 percent.</i>						

Geographic Distribution of Small Business Loans Hilton Head MSA Assessment Area						
Tract Income Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
Moderate	16.0	16.0	15	12.2	1,840	11.9
Middle	54.5	53.2	84	68.3	11,616	75.2
Upper	29.5	30.7	24	19.5	1,986	12.9
Totals	100.0	100.0	123	100.0	15,442	100.0
<i>Source: 2015 ACS; 2020 CRA Data; and, 2020 CRA Aggregate Data. Due to rounding, totals may not equal 100.0 percent.</i>						

Distribution of Home Mortgage Loans by Borrower Income Hilton Head MSA Assessment Area						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low	17.7	2.7	5	2.9	469	1.0
Moderate	18.2	10.5	14	8.2	1,778	3.6
Middle	21.2	17.1	20	11.8	2,758	5.6
Upper	42.9	52.7	123	72.4	41,587	85.1
Not Available	0.0	16.9	8	4.7	2,262	4.6
Totals	100.0	100.0	170	100.0	48,854	100.0
<i>Source: 2015 ACS; 2020 HMDA Data; and, 2020 HMDA Aggregate Data. Due to rounding, totals may not equal 100.0 percent.</i>						

Distribution of Small Business Loans by Gross Annual Revenue Category Hilton Head MSA Assessment Area						
Gross Revenue Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
<=\$1,000,000	87.3	41.3	32	26.0	3,156	20.4
>\$1,000,000	4.3	--	55	44.7	10,006	64.8
Revenue Not Available	8.4	--	36	29.3	2,280	14.8
Totals	100.0	100.0	123	100.0	15,442	100.0
<i>Source: 2020 D&B Data; 2020 CRA Data; and, 2020 CRA Aggregate Data. "--" data not available.</i>						

Sumter MSA Assessment Area

The Sumter, SC MSA comprises two counties (Sumter and Clarendon), which the bank has delineated as the Sumter MSA assessment area. Clarendon County was transferred from the SC Non-MSA assessment area to the Sumter MSA assessment area in 2020 due to OMB changes. First-Citizens Bank operates three branches in this assessment area, which accounts for 2.9 percent of state-wide branches. In addition, the assessment area accounts for 2.1 percent of state-wide lending and 2.5 percent of state-wide deposits.

The following activities occurred in the assessment area during the review period.

Activity	#	\$(000s)
Home Mortgage Loans	285	38,966
Small Business Loans	683	58,188
Community Development Loans	5	1,545
Investments (New)	--	--
Investments (Prior Period)	--	--
Donations	8	6
Community Development Services	5	101 hours
<i>Small business and home mortgage lending volumes are based on the combined 2019, 2020, and 2021 lending data, while the community development loans, qualified investments, and community development services are from previous evaluation through December 31, 2021. Qualified investments also include those from prior periods that remain outstanding.</i>		

Geographic Distribution and Borrower Profile

Geographic Distribution of Home Mortgage Loans Sumter MSA Assessment Area						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Moderate	16.8	6.4	14	13.3	1,355	9.5
Middle	53.8	43.9	39	37.1	6,457	45.0
Upper	29.4	49.7	52	49.5	6,523	45.5
Totals	100.0	100.0	105	100.0	14,335	100.0
<i>Source: 2015 ACS; 2020 HMDA Data; and, 2020 HMDA Aggregate Data. Due to rounding, totals may not equal 100.0 percent.</i>						

Geographic Distribution of Small Business Loans Sumter MSA Assessment Area						
Tract Income Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
Moderate	34.7	37.4	125	36.3	9,984	37.0
Middle	44.5	43.5	139	40.4	10,856	40.2
Upper	20.7	19.1	80	23.3	6,162	22.8
Totals	100.0	100.0	344	100.0	27,002	100.0
<i>Source: 2015 ACS; 2020 CRA Data; and, 2020 CRA Aggregate Data. Due to rounding, totals may not equal 100.0 percent.</i>						

Distribution of Home Mortgage Loans by Borrower Income Sumter MSA Assessment Area						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low	21.7	2.2	4	3.8	385	2.7
Moderate	19.0	10.5	9	8.6	855	6.0
Middle	19.2	18.2	11	10.5	1,142	8.0
Upper	40.1	35.5	75	71.4	10,841	75.6
Not Available	0.0	33.6	6	5.7	1,113	7.8
Totals	100.0	100.0	105	100.0	14,335	100.0
<i>Source: 2015 ACS; 2020 HMDA Data; and, 2020 HMDA Aggregate Data. Due to rounding, totals may not equal 100.0 percent.</i>						

Distribution of Small Business Loans by Gross Annual Revenue Category Sumter MSA Assessment Area						
Gross Revenue Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
<=\$1,000,000	83.7	41.4	153	44.5	6,048	22.4
>\$1,000,000	4.2	--	128	37.2	17,785	65.9
Revenue Not Available	12.1	--	63	18.3	3,169	11.7
Totals	100.0	100.0	344	100.0	27,002	100.0
<i>Source: 2020 D&B Data; 2020 CRA Data; and, 2020 CRA Aggregate Data. "--" data not available.</i>						

VIRGINIA

CRA RATING FOR VIRGINIA: SATISFACTORY

The Lending Test is rated: High Satisfactory

The Investment Test is rated: Low Satisfactory

The Service Test is rated: High Satisfactory

DESCRIPTION OF INSTITUTION'S OPERATIONS IN VIRGINIA

The evaluation of the Virginia performance considered the operations of First-Citizens Bank in ten assessment areas, which are detailed in the Description of Assessment Areas. In September of 2020, First-Citizens Bank closed the Front Royal branch resulting in Warren County being removed from the Washington MSA assessment area. The bank operates 43 or 8.2 percent of its branch offices in Virginia. Virginia accounts for 5.8 percent of bank-wide loans by dollar volume, 5.9 percent of bank-wide loans by number, and 5.1 percent of the bank-wide deposits. Overall, First-Citizens Bank ranks 16th in the state in deposit market share at 0.6 percent. Competitor institutions in the assessment areas include E* Trade Bank; Capital One Bank USA, NA; and Truist Bank. Together, the three competitor institutions account for 45.7 percent of the market share.

SCOPE OF EVALUATION – VIRGINIA

Examiners conducted full-scope reviews of performance in the Richmond MSA, Roanoke MSA, Washington MSA, and VA Non-MSA assessment areas. A significant portion of the loans (72.1 percent), deposits (77.3 percent), and branches (76.8 percent) in Virginia are concentrated in these assessment areas. The overall conclusions, analysis, and ratings for Virginia are predicated primarily on performance within these four assessment areas. Overall, the VA Non-MSA assessment area accounts for a significant level of deposits and branching and a high level of lending in Virginia. Therefore, the VA Non-MSA assessment area received more weight in the overall conclusions and ratings for Virginia. The Roanoke MSA assessment area also accounts for significant operations in the state and was afforded secondary weight in the assessment of Virginia performance. The Richmond MSA assessment area and Washington MSA assessment areas received lesser weight. Limited-scope areas include the Blacksburg MSA, Charlottesville MSA, Harrisonburg MSA, Lynchburg MSA, Staunton MSA, and Winchester MSA assessment areas. The Lynchburg MSA assessment area also received lesser weight, with all other limited-scope assessments receiving limited weight.

Home mortgage and small business lending constitute the primary loan types in Virginia by number of loans. Home mortgage loans account for 35.3 percent and small business loans account for 62.6 percent of loans originated for Virginia overall. However, the product mix and weighting varied within the full-scope assessment areas, with small business loans as the primary product in the Richmond MSA, Roanoke MSA, and Washington MSA assessment areas. Home mortgage and small business lending carried equal weighting in the VA Non-MSA assessment area. Small farm loans were not analyzed given the limited volume by dollar amount and number of loans originated.

CONCLUSIONS ON PERFORMANCE CRITERIA IN VIRGINIA

LENDING TEST

The Lending Test rating for Virginia is High Satisfactory. Lending levels reflect good responsiveness to the Virginia assessment areas' credit needs. The geographic distribution reflects good penetration throughout the assessment areas, and the borrower profile reflects good distribution of lending to borrowers of different incomes and businesses of different sizes. The institution uses innovative and/or flexible lending practices and originated a relatively high level of community development loans. Performance in the full-scope assessment areas varied with the VA Non-MSA and Roanoke MSA assessment areas, the two assessment areas that received the most weight, was consistent. Performance in the Richmond MSA and Washington MSA assessment areas was lower.

Lending Activity

Lending levels reflect good responsiveness to the Virginia MSA assessment areas' credit needs. The tables presented in each assessment area detail the number and dollar volume of home mortgage and small business loans originated in 2020.

Geographic Distribution

The overall geographic distribution of home mortgage and small business loans is good.

The geographic distribution of small business loans reflects overall good penetration throughout the assessment areas, with home mortgage lending considered adequate. The performance in the full-scope assessment areas is consistent, with the exception of the Richmond MSA assessment area, which is considered adequate.

Borrower Profile

The overall distribution of home mortgage loans to borrowers of different incomes and small business loans to businesses of different sizes is good.

The distribution of small business loans among businesses of different sizes is good overall, with home mortgage loans reflecting adequate lending to borrowers of different income levels. Performance among the full-scope assessment areas varied with VA Non-MSA and Roanoke MSA assessment areas considered good. The performance in the remaining two full-scope assessment areas was considered adequate. As previously provided, the VA Non-MSA and Roanoke MSA assessment areas were afforded the most weight in the overall analysis, conclusions, and ratings for the Virginia rated area.

Community Development Loans

First-Citizens Bank originated a relatively high level of community development loans in Virginia. During this evaluation period, the bank originated 37 community development loans totaling \$74.3 million. This represents 6.7 percent by number and 8.6 percent by dollar volume of total bank -wide community development loans and is slightly less than last exam by number and dollar volume. Three loans totaling \$3.3 million were originated outside the assessment areas but within the broader state-wide area. Since the bank has been responsive to community development needs and opportunities within its assessment areas, the loans were included. The level of community development lending among the full-scope assessment areas varied widely. The bank is considered a leader in the VA Non-MSA assessment area and has a relatively high level of community development loans within the Roanoke and Richmond MSA assessment areas; however, there is a low level of community development lending in the Washington MSA assessment area. The analysis for each full-scope Virginia assessment area includes a detailed discussion of community development loans. Below are examples community development loans originated in the broader state-wide area.

- \$1.2 million loan to construct a new store in a moderate-income census tract, which provide new jobs
- \$7,000 line-of-credit for an organization that provides after school and summer programs for at-risk young people.

INVESTMENT TEST

The Investment Test is rated Low Satisfactory. First-Citizens Bank has an adequate level of qualified investments in Virginia. The bank exhibits adequate responsiveness to credit and community development needs and occasionally uses innovative and/or complex investments to support community development initiatives. The performance varied widely among the full-scope assessment areas.

Investment and Grant Activity

The bank has an adequate level of qualified investments, donations, and grants of \$68.7 million in Virginia. This represents 10.6 percent of total bank-wide qualified investments. Investments since the prior evaluation include five regionally-based investment funds totaling \$4.8 million to finance multi-family developments and affordable housing projects, two investments in nationwide GNMA MBS investments, of which \$48.6 million supported affordable housing projects in Virginia, and 161 donations or grants totaling \$197,519. Prior period investments total \$14.2 million for affordable housing projects and \$940,817 in SBA pools supporting economic development. Please refer to each full-scope assessment area for examples.

SERVICE TEST

The Service Test rating is High Satisfactory in Virginia. First-Citizens Bank's delivery systems are accessible to essentially all portions of the assessment areas, and the opening and closing of branches has overall not adversely affected the accessibility of its delivery systems, particularly with respect to low- and moderate-income geographies or individuals. Services and business hours

do not vary in a way that inconveniences certain portions of the assessment areas, particularly low- and moderate-income geographies, or individuals. The bank provided a relatively high level of community development services. The bank’s performance varied across the full-scope assessment areas.

Accessibility of Delivery Systems

Delivery systems are accessible to essentially all portions of the Virginia assessment areas. The bank operates 40 full-service and three limited-service branches in Virginia. The conclusions regarding the overall accessibility of delivery systems for the Virginia rated area are consistent with the institution overall. The bank operates 42 ATMs in the assessment area with 2 ATMs (4.8 percent) in low-income tracts and 10 ATMs (23.8 percent) in moderate-income tracts. The branch distribution by geography income level is shown in the following table.

Virginia - Branch Distribution by Geography Income Level						
Tract Income Level	Census Tracts		Population		Branches	
	#	%	#	%	#	%
Low	50	5.4	191,365	4.7	2	4.6
Moderate	152	16.5	643,635	15.9	11	25.6
Middle	382	41.5	1,676,449	41.4	18	41.9
Upper	322	35.0	1,515,197	37.4	12	27.9
NA	15	1.6	23,877	0.6	0	0.0
Total	921	100.0	4,050,523	100.0	43	100.0
<i>Source: 2015 ACS Data and Bank Data</i>						

Changes in Branch Locations

To the extent changes have been made, the institution’s opening and closing of branches has overall not adversely affected the accessibility of delivery systems, particularly in low- and moderate-income geographies and/or to low- and moderate-income individuals. Since the previous evaluation, the bank has opened two branches and closed six branches throughout Virginia. As shown in the table below, the net effect was a decrease of one branch in a moderate-income tract, two branches in middle-income tracts, and one branch in an upper-income tract. Details of changes in branch locations are contained within the full-scope assessment areas in which changes occurred.

Net Distribution of Branch Openings/Closings						
Assessment Area	# of Branch Openings	# of Branch Closings	Income Level of Census Tract (+/-)			
			Low	Moderate	Middle	Upper
Blacksburg MSA	0	1	0	0	-1	0
Charlottesville MSA	0	1	0	0	0	-1
Harrisonburg MSA	0	1	0	-1	0	0
Lynchburg MSA	0	0	0	0	0	0
Richmond MSA	2	1	0	+1	0	0
Roanoke MSA	0	0	0	0	0	0
Staunton MSA	0	0	0	0	0	0
Washington MSA	0	1	0	-1	0	0
Winchester MSA	0	0	0	0	0	0
VA Non-MSA	0	1	0	0	-1	0
Total	2	6	0	-1	-2	-1
<i>Source: Bank Data</i>						

Community Development Services

First-Citizens Bank provided a relatively high level of community development services in Virginia. Bank employees and Board members provided 189 instances for 2,871 hours of community development service in Virginia. The services equate to 1.5 instances and 22.3 hours per branch per year. This performance represented 11.0 percent of the bank-wide community development services by number of hours, which is consistent with the percentage of branches within the assessment area at 11.0 percent. Employees are involved in community development organizations that primarily provide economic development and community services for low- and moderate-income individuals and areas. The bank provided 195 community development services at the prior evaluation. Refer to each full-scope assessment area for examples.

Community Development Services										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	Hours	#	Hours	#	Hours	#	Hours	#	Hours
Blacksburg MSA	1	2	1	2	0	0	1	1	3	5
Charlottesville MSA	0	0	4	38	8	48	3	25	15	111
Harrisonburg MSA	4	43	3	92	2	72	0	0	9	207
Lynchburg MSA	0	0	16	198	2	5	1	2	19	205
Richmond MSA	0	0	1	63	3	8	0	0	4	71
Roanoke MSA	1	8	45	615	18	334	0	0	64	957
Staunton MSA	2	5	3	56	0	0	1	1	6	62
Washington MSA	1	2	1	18	9	31	0	0	11	51
Winchester MSA	1	2	1	2	0	0	0	0	2	4
VA Non-MSA	3	14	26	709	18	389	9	86	56	1,198
Virginia	13	76	101	1,793	60	887	15	115	189	2,871
<i>Source: Bank Data</i>										

VA NON-MSA ASSESSMENT AREA – Full-Scope Review

DESCRIPTION OF INSTITUTION’S OPERATIONS IN THE VA NON-MSA ASSESSMENT AREA

The VA Non-MSA assessment area includes Alleghany, Brunswick, Carroll, Greensville, Mecklenburg, Nottoway, and Pittsylvania Counties as well as Covington, Danville, Emporia, and Galax Cities. There have been no changes to the assessment area since the last evaluation. The bank operates 15 or 34.9 percent of its Virginia branch offices in the VA Non-MSA assessment area. The assessment area represents 13.3 percent of the state-wide loans by dollar volume, 19.4 percent of state-wide loans by number, and 38.0 percent of state-wide deposits.

Economic and Demographic Data

The assessment area consists of 72 census tracts, including 1 low-income tract, 14 moderate-income tracts, 46 middle-income tracts, and 7 upper-income tracts. Four tracts have no income designation. The following table presents demographic information from the 2015 ACS Census and 2020 D&B data.

Demographic Information for the VA Non-MSA Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	72	1.4	19.4	63.9	9.7	5.6
Population by Geography	245,406	1.5	19.5	68.0	8.7	2.3
Housing Units by Geography	125,301	1.5	19.7	70.5	8.2	0.0
Owner-Occupied Units by Geography	69,742	0.8	16.6	72.6	10.0	0.0
Occupied Rental Units by Geography	29,719	3.0	27.4	63.0	6.5	0.0
Vacant Units by Geography	25,840	1.6	19.3	73.6	5.6	0.0
Businesses by Geography	14,825	0.7	19.8	67.6	11.6	0.3
Farms by Geography	902	0.1	12.6	78.9	8.3	0.0
Family Distribution by Income Level	64,522	24.3	17.6	20.8	37.3	0.0
Household Distribution by Income Level	99,461	27.2	16.7	17.7	38.4	0.0
Median Family Income Non-MSAs - VA		\$51,647	Median Housing Value			\$110,909
			Median Gross Rent			\$622
			Families Below Poverty Level			15.5%
<i>Source: 2015 ACS and 2020 D&B Data Due to rounding, totals may not equal 100.0 percent. (*) The NA category consists of geographies that have not been assigned an income classification.</i>						

The Geographic Distribution criterion compares home mortgage loans to the distribution of owner-occupied housing units and compares small business loans to the percentage of businesses located

in low-, moderate-, middle-, and upper-income tracts. The 2015 ACS data shows the majority of owner-occupied housing units and businesses are within the middle-income tracts, indicating most of the lending opportunities will be in these geographies. The moderate- and upper-income income tracts contain a fair level of owner-occupied housing units and businesses, while significantly fewer opportunities are indicated in the low-income tracts.

The FFIEC updated VA Non-MSA MFIs were used to analyze home mortgage loans under the Borrower Profile criterion. The following table presents each income category.

VA Non-MSA – Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
2019 (\$56,100)	<\$28,050	\$28,050 to <\$44,880	\$44,880 to <\$67,320	≥\$67,320
2020 (\$58,100)	<\$29,050	\$29,050 to <\$46,480	\$46,480 to <\$69,720	≥\$69,720
2021 (\$58,900)	<\$29,450	\$29,450 to <\$47,120	\$47,120 to <\$70,680	≥\$70,680
<i>Source: FFIEC</i>				

The analysis of home mortgage lending by borrower income uses families by income level as a comparison to bank performance. The median housing value is over \$110,000, and prices are continuing to rise due to the current economic conditions which can potentially make housing increasingly unaffordable for low-income borrowers. Therefore, lending opportunities to low-income families may be limited.

The analysis of small business loans under the Borrower Profile criterion compares the distribution of small business lending by gross annual revenue. The D&B 2020 distribution of businesses based on gross annual revenues is listed below.

- 82.7 percent reported \$1 million or less;
- 4.4 percent reported more than \$1 million; and
- 12.9 percent did not report revenues.

In 2020, the top industries were Services and Retail Trade. In addition, approximately 88.2 percent of area businesses have ten or fewer employees. Top employer information was unavailable for this Non-MSA assessment area.

The unemployment rates increased significantly in 2020 due to the COVID-19 pandemic. Unemployment rates dropped sharply in 2021, although the rates in each of the counties and cities in the assessment area remain above the pre-pandemic levels. Only Nottoway County was below the state unemployment rate with all but one county and three cities below the national unemployment average.

Unemployment Rates			
Area	2019	2020	2021
	%	%	%
Alleghany County	3.3	6.5	4.1
Brunswick County	4.6	7.9	6.3
Carroll County	3.5	8.2	4.1
Greensville County	3.4	6.7	4.9
Mecklenburg County	3.9	6.8	4.7
Nottoway County	2.7	5.1	3.7
Pittsylvania County	3.3	6.4	4.0
Covington City	4.0	9.5	5.8
Danville City	4.9	9.7	6.6
Emporia City	4.9	10.9	7.8
Galax City	3.2	7.7	4.1
Virginia	2.8	6.2	3.9
National Average	3.7	8.1	5.2
<i>Source: Bureau of Labor Statistics</i>			

Competition

The assessment area is moderately competitive. According to the FDIC Deposit Market Share data as of June 30, 2021, 20 FDIC-insured institutions operate 87 branches within the assessment area. Of these institutions, First-Citizens Bank ranked 1st with a market share of 17.5 percent. Competitor institutions in the assessment area include Carter Bank and Trust, American National Bank and Trust Company, and Truist Bank. Together, the three competitor institutions account for 43.0 percent of the market share.

There is a high level of competition for home mortgage loans among banks, credit unions, and non-depository mortgage lenders. Aggregate data for 2020 shows 285 lenders reported 5,969 residential mortgage loans originated or purchased indicating high competition. First-Citizens Bank ranked 6th with a market share of 4.3 percent. The five dominant home mortgage lenders accounted for 31.8 percent of total market share by number.

In addition, there is a high level of competition for small business loans within the assessment area. Aggregate data for 2020 shows 86 lenders reported 2,856 small business loans originated or purchased in the assessment area. Overall, First-Citizens Bank ranked 3rd with 11.3 percent market share by number of loans and 2nd with 19.7 percent of the dollar volume of loans. The five dominant small business lenders accounted for 54.4 percent of the total market share by number.

Credit and Community Development Needs and Opportunities

Considering information from demographic and economic data, examiners determined small business loans represent a primary credit need for the assessment area. The significant percentage of businesses with gross annual revenues of \$1 million or less at 82.7 percent and the large number

of businesses with ten or fewer employees at 88.2 percent also support this conclusion. Affordable housing also represents a need as 41.9 percent of families are low- and moderate-income.

CONCLUSIONS ON PERFORMANCE CRITERIA IN VA NON-MSA ASSESSMENT AREA

LENDING TEST

Lending levels in the VA Non-MSA assessment area reflect good responsiveness to assessment area credit needs. The geographic distribution reflects good penetration throughout the assessment area, and the borrower profile reflects good distribution of lending among borrowers of different income levels and businesses of different sizes. The institution uses innovative and/or flexible lending practices and is a leader in providing community development loans.

Lending Activity

Lending levels reflect good responsiveness to the assessment area’s credit needs. The tables presented below detail the number and dollar volume of 2020 home mortgage and small business loans in this assessment area.

Geographic Distribution

The geographic distribution of loans is good.

Home Mortgage Loans

The geographic distribution of home mortgage loans is good. Lending in low-income tracts was consistent with aggregate lending data but below demographic data. The bank’s performance in moderate-income tracts was below demographic but exceeded aggregate lending data.

Geographic Distribution of Home Mortgage Loans VA Non-MSA Assessment Area						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low	0.8	0.3	1	0.4	74	0.2
Moderate	16.6	10.7	32	12.6	4,074	13.0
Middle	72.6	77.4	186	73.2	22,095	70.4
Upper	10.0	11.6	35	13.8	5,139	16.4
Not Available	0.0	0.1	0	0.0	0	0.0
Totals	100.0	100.0	254	100.0	31,383	100.0
<i>Source: 2015 ACS; 2020 CRA Data; and, 2020 CRA Aggregate Data. Due to rounding, totals may not equal 100.0 percent.</i>						

Small Business Loans

The geographic distribution of small business loans reflects good penetration throughout the assessment area. The bank made no loans in the low-income tracts, but the percentage of businesses in these tracts was below one percent. Additionally, aggregate performance in low-income tracts was also below one percent, indicating limited opportunities in these areas. The bank's performance in moderate-income tracts was above both demographic and aggregate lending data.

Geographic Distribution of Small Business Loans VA Non-MSA Assessment Area						
Tract Income Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
Low	0.7	0.5	0	0.0	0	0.0
Moderate	19.8	19.2	74	21.2	8,177	25.0
Middle	67.6	66.9	223	63.9	18,849	57.6
Upper	11.6	13.1	52	14.9	5,718	17.5
Not Available	0.3	0.2	0	0.0	0	0.0
Totals	100.0	100.0	349	100.0	32,744	100.0

*Source: 2015 ACS; 2020 CRA Data; and, 2020 CRA Aggregate Data.
Due to rounding, totals may not equal 100.0 percent.*

Borrower Profile

The distribution of home mortgage loans to borrowers of different incomes and small business loans to businesses of different sizes is good.

Home Mortgage Loans

The distribution of home mortgage loans reflects good penetration among borrowers of different incomes. Lending to low-income borrowers was significantly below demographics but exceeded aggregate data. Lending to moderate-income borrowers was just below demographic data and just above aggregate lending data.

Distribution of Home Mortgage Loans by Borrower Income Level VA Non-MSA Assessment Area						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low	24.3	5.7	17	6.7	1,235	3.9
Moderate	17.6	15.1	41	16.1	3,224	10.3
Middle	20.8	18.5	47	18.5	4,272	13.6
Upper	37.3	38.2	132	52.0	21,161	67.4
Not Available	0.0	22.5	17	6.7	1,492	4.8
Totals	100.0	100.0	254	100.0	31,383	100.0

Source: 2015 ACS; 2020 HMDA Data; and, 2020 HMDA Aggregate Data.

Small Business Loans

The distribution of small business loans reflects good penetration to businesses with gross annual revenues of \$1 million or less. Lending to small businesses was significantly below demographic data but significantly above aggregate data.

Distribution of Small Business Loans by Gross Annual Revenue Category VA Non-MSA Assessment Area						
Gross Revenue Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
<=\$1,000,000	82.7	36.7	181	51.9	10,672	32.6
>\$1,000,000	4.4	--	104	29.8	18,121	55.3
Revenue Not Available	12.9	--	64	18.3	3,951	12.1
Totals	100.0	100.0	349	100.0	32,744	100.0
<i>Source: 2020 D&B Data; 2020 CRA Data; and, 2020 CRA Aggregate Data. "--" data not available.</i>						

Community Development Loans

First-Citizens Bank is a leader in providing community development loans in the VA Non-MSA assessment area. The bank originated 14 community development loans totaling \$44.9 million. This amount represents 37.8 percent by number and 60.4 percent by dollar volume of community development loans originated in Virginia. Regarding the community development purpose, 2 loans support affordable housing, 5 loans support community services, and 7 loans support revitalization or stabilization. Examples of community development loans follow.

- \$7.0 million working capital loan to an organization that provides essential infrastructure and facilities within a middle-income distressed census tract to help revitalize and stabilize the area.
- \$1.0 million loan for capital improvements to an organization that provides essential infrastructure and facilities within a middle-income distressed census tract to help revitalize and stabilize the area.

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INVESTMENT TEST

First-Citizens Bank has few, if any, qualified investments in the assessment area. The bank exhibits poor responsiveness to credit and community development needs and occasionally uses innovative and/or complex investments to support community development initiatives.

Investment and Grant Activity

The bank has few, if any, qualified investments in the VA Non-MSA assessment area. Qualified investments total \$276,180 or 0.4 percent of Virginia qualified investments. Investments during the rating period include one regionally-based investment fund supporting affordable housing, of which \$250,000 benefited this assessment area. Additionally, 50 donations or grants totaling \$26,180 were provided. Of these contributions, \$20,180 benefited community services, \$2,000 benefited

economic development, \$3,800 benefited stabilization or revitalization, and \$200 benefited affordable housing. Provided below are examples of donations that benefited the assessment area.

- \$1,000 to an organization that provides economic development opportunities to businesses.
- \$1,000 to a non-profit organization that provides community services to low- and moderate-income individuals.

SERVICE TEST

First-Citizens Bank’s delivery systems are readily accessible to essentially all portions of the VA Non-MSA assessment area. The institution’s opening and closing of branches has not adversely affected the accessibility of its delivery systems. Services and business hours do not vary in a way that inconveniences certain portions of the assessment area, particularly low- and moderate-income geographies, or individuals. The bank is a leader in providing community development services.

Accessibility of Delivery Systems

Delivery systems are readily accessible to essentially all portions of the assessment area. The conclusions regarding the accessibility of delivery systems for the assessment area are more favorable than both the institution overall and the Virginia rated area. The bank operates no branches in the low-income tract; however, the percentage of population in the single low-income tract is low at 1.5 percent. The branching access in moderate-income tracts is significantly higher than the percentage of the population in those geographies. The bank also operates 16 ATMs in the assessment area with 6 ATMs (37.5 percent) in moderate-income tracts. No ATMs are located in the only low-income tract.

Branch Distribution by Geography Income Level VA Non-MSA Assessment Area						
Tract Income Level	Census Tracts		Population		Branches	
	#	%	#	%	#	%
Low	1	1.4	3,744	1.5	0	0.0
Moderate	14	19.4	47,825	19.5	6	40.0
Middle	46	63.9	166,845	68.0	7	46.7
Upper	7	9.7	21,334	8.7	2	13.3
NA	4	5.6	5,658	2.3	0	0.0
Total	72	100.0	245,406	100.0	15	100.0
<i>Source: 2015 ACS Data and Bank Data</i>						

Changes in Branch Locations

To the extent changes have been made, the institution’s opening and closing of branches has not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and/or to low- and moderate-income individuals. Since the previous evaluation, the bank closed one branch in a middle-income tract. The bank did not open or acquire any branches since the previous evaluation.

Community Development Services

First-Citizens Bank is a leader in providing community development services in the assessment area. Bank employees and Board members provided 56 instances for 1,198 hours of community development service. These services equate to 1.2 instance and 26.6 hours of community development service per branch per year. This performance accounts for 4.6 percent of the bank-wide community development services and 41.6 percent of state-wide community development services by number of hours. The level of community development services is higher than the percentage of branches within the assessment area at 2.9 percent bank-wide and 34.9 percent state-wide. The bank engaged in 56 instances of community development service at the previous evaluation. The following are examples of community development services provided.

- An employee served on the Grant Committee for a small business assistance fund that reviewed applications for small business grants to help sustain operations during the pandemic.
- An employee serves as Board Chairman of a local non-profit agency that provides job and technical training for unemployed and underemployed individuals.
- An employee serves as Chair of the Finance Committee for the local Chamber of Commerce.

ROANOKE MSA ASSESSMENT AREA – Full-Scope Review

DESCRIPTION OF INSTITUTION’S OPERATIONS IN THE ROANOKE MSA ASSESSMENT AREA

The Roanoke, VA MSA includes four counties and two cities; however, the bank delineated Botetourt and Roanoke Counties as well as Roanoke and Salem Cities as the assessment area. There have been no changes to the assessment area since the last evaluation. The bank operates seven or 16.3 percent of its Virginia branch offices in the Roanoke MSA assessment area. The assessment area also represents 26.4 percent of the state-wide loans by dollar amount, 25.7 percent of state-wide loans by number, and 18.5 percent of state-wide deposits.

Economic and Demographic Data

The assessment area consists of 54 census tracts, including 3 low-income tracts, 8 moderate-income tracts, 27 middle-income tracts, and 16 upper-income tracts. The following table presents demographic information from the 2015 ACS Census and 2020 D&B data.

Demographic Information for the Roanoke MSA Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	54	5.6	14.8	50.0	29.6	0.0
Population by Geography	250,689	4.2	15.5	47.1	33.3	0.0
Housing Units by Geography	113,275	4.0	16.0	47.6	32.4	0.0
Owner-Occupied Units by Geography	69,149	1.8	12.1	47.4	38.8	0.0
Occupied Rental Units by Geography	34,212	7.6	22.7	47.5	22.3	0.0
Vacant Units by Geography	9,914	7.4	20.0	49.8	22.8	0.0
Businesses by Geography	22,974	3.2	10.1	50.5	36.2	0.0
Farms by Geography	582	2.2	7.2	44.7	45.9	0.0
Family Distribution by Income Level	65,644	19.2	17.0	22.4	41.4	0.0
Household Distribution by Income Level	103,361	23.5	15.8	19.1	41.5	0.0
Median Family Income - Roanoke, VA MSA		\$61,791	Median Housing Value			\$171,915
			Median Gross Rent			\$764
			Families Below Poverty Level			9.9%

*Source: 2015 ACS and 2020 D&B Data
Due to rounding, totals may not equal 100.0 percent.
(*) The NA category consists of geographies that have not been assigned an income classification.*

The Geographic Distribution criterion compares home mortgage loans to the distribution of owner-occupied housing units and compares small business loans to the percentage of businesses located in low-, moderate-, middle-, and upper-income tracts. The 2015 ACS data shows a significant majority of owner-occupied housing units and businesses are within the middle- and upper-income

tracts, indicating most of the lending opportunities will be in these geographies. The moderate-income tracts contain a fair level of owner-occupied housing units and businesses, while significantly fewer opportunities are indicated in the low-income tracts.

The FFIEC updated Roanoke MSA MFIs were used to analyze home mortgage loans under the Borrower Profile criterion. The following table presents each income category.

Roanoke MSA – Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
2019 (\$71,200)	<\$35,600	\$35,600 to <\$56,960	\$56,960 to <\$85,440	≥\$85,440
2020 (\$74,300)	<\$37,150	\$37,150 to <\$59,440	\$59,440 to <\$89,160	≥\$89,160
2021 (\$75,400)	<\$37,700	\$37,700 to <\$60,320	\$60,320 to <\$90,480	≥\$90,480
<i>Source: FFIEC</i>				

The analysis of home mortgage lending by borrower income uses families by income level as a comparison to bank performance. The median housing value is over \$171,000, and prices are continuing to rise due to the current economic conditions, which can potentially make housing increasingly unaffordable for low-income individuals. Therefore, lending opportunities to low-income families may be limited.

The analysis of small business loans under the Borrower Profile criterion compares the distribution of small business lending by gross annual revenue. The D&B 2020 distribution of businesses based on gross annual revenues is listed below.

- 84.6 percent reported \$1 million or less;
- 4.4 percent reported more than \$1 million; and
- 10.9 percent did not report revenues.

In 2020, the top industries were Education and Health Services; Professional and Business Services; and Government. In addition, approximately 88.6 percent of area businesses have ten or fewer employees. The top employers were Carilion Clinic, Kroger, Wells Fargo Bank, NA, HCA Virginia Health System, and Walmart, Inc.

The unemployment rates increased sharply in 2020 due to the COVID-19 pandemic. The 2021 unemployment rates dropped sharply; however, the levels remain above pre-pandemic levels. Unemployment rates in the assessment area were generally below state and national unemployment rates, with the exception of Roanoke County, which was above the state level and below the national average.

Unemployment Rates			
Area	2019	2020	2021
	%	%	%
Botetourt County	2.5	4.5	3.0
Roanoke County	2.5	5.1	3.2
Roanoke City	3.0	7.7	4.9
Salem City	2.7	5.8	3.6
Virginia	2.8	6.2	3.9
National Average	3.7	8.1	5.2
<i>Source: Bureau of Labor Statistics</i>			

Competition

The assessment area is moderately competitive. According to the FDIC Deposit Market Share data as of June 30, 2021, 13 FDIC-insured institutions operate 82 branches within the assessment area. Of these institutions, First-Citizens Bank ranked 4th with a market share of 5.0 percent. Competitor institutions in the assessment areas include Truist Bank; Wells Fargo Bank, NA; and Pinnacle Bank. Together, the three competitor institutions account for 71.1 percent of the market share.

There is a high level of competition for home mortgage loans among banks, credit unions, and non-depository mortgage lenders. Aggregate data for 2020 shows 336 lenders reported 12,292 residential mortgage loans originated or purchased. First-Citizens Bank ranked 13th with a market share of 2.0 percent. The five dominant home mortgage lenders accounted for 32.8 percent of total market share by number.

In addition, there is a moderate level of competition for small business loans within the assessment area. Aggregate data for 2020 shows 90 lenders reported 5,354 small business loans originated or purchased in the assessment area. Overall, First-Citizens Bank ranked 4th with 11.3 percent market share by number of loans and 1st with 21.8 percent of the dollar volume of loans. The five dominant small business lenders accounted for 58.4 percent of the total market share by number.

Credit and Community Development Needs and Opportunities

Considering information from demographic and economic data, examiners determined small business loans represent a primary credit need for the assessment area. The significant percentage of businesses with gross annual revenues of \$1 million or less at 84.6 percent, and the large number of businesses with ten or fewer employees at 88.6 percent support this conclusion. Affordable housing also represents a need as 36.2 percent of the families are low- and moderate income. While housing in the assessment area is generally more affordable than the state and national averages, housing prices continue to rise.

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE ROANOKE MSA ASSESSMENT AREA

LENDING TEST

Lending levels in the Roanoke MSA assessment area reflect good responsiveness to assessment area credit needs. The geographic distribution reflects good penetration throughout the assessment area, and the borrower profile reflects good distribution of lending among businesses of different sizes and borrowers of different income levels. The institution uses innovative and/or flexible lending practices and originated relatively high level of community development loans.

Lending Activity

Lending levels reflect good responsiveness to the assessment area’s credit needs. The tables presented below detail the number and dollar volume of 2020 small business and home mortgage loans in this assessment area.

Geographic Distribution

The geographic distribution of loans is good.

Small Business Loans

The geographic distribution of small business loans reflects good penetration throughout the assessment area. Lending in low-income tracts was consistent with demographic data but slightly below aggregate lending data. For moderate-income census tracts, lending exceeded both demographic and aggregate data.

Geographic Distribution of Small Business Loans Roanoke MSA Assessment Area						
Tract Income Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
Low	3.2	4.3	22	3.3	4,232	4.4
Moderate	10.1	9.3	77	11.5	10,555	11.1
Middle	50.5	50.8	327	48.8	50,620	53.1
Upper	36.2	35.6	244	36.4	29,839	31.3
Totals	100.0	100.0	670	100.0	95,246	100.0
<small>Source: 2015 ACS; 2020 CRA Data; and, 2020 CRA Aggregate Data. Due to rounding, totals may not equal 100.0 percent.</small>						

Home Mortgage Loans

The geographic distribution of home mortgage loans is adequate. Lending in both low- and moderate-income tracts was below demographics and consistent with aggregate lending data.

Geographic Distribution of Home Mortgage Loans Roanoke MSA Assessment Area						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low	1.8	0.9	1	0.4	104	0.2
Moderate	12.1	9.3	23	9.4	3,155	7.0
Middle	47.4	44.8	85	34.6	12,449	27.8
Upper	38.8	45.0	137	55.7	29,125	65.0
Totals	100.0	100.0	246	100.0	44,833	100.0
Source: 2015 ACS; 2020 HMDA Data; and, 2020 HMDA Aggregate Data. Due to rounding, totals may not equal 100.0 percent.						

Borrower Profile

The distribution of small business loans to businesses of different sizes and home mortgage loans to borrowers of different incomes is good.

Small Business Loans

The distribution of small business loans reflects good penetration to businesses with gross annual revenues of \$1 million or less. Lending to small businesses was significantly below demographic data but exceeded aggregate data.

Distribution of Small Business Loans by Gross Annual Revenue Category Roanoke MSA Assessment Area						
Gross Revenue Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
<=\$1,000,000	84.6	40.9	326	48.7	30,148	31.7
>\$1,000,000	4.4	--	260	38.8	56,306	59.1
Revenue Not Available	10.9	--	84	12.5	8,792	9.2
Totals	100.0	100.0	670	100.0	95,246	100.0
Source: 2020 D&B Data; 2020 CRA Data; and, 2020 CRA Aggregate Data. "--" data not available. Due to rounding, totals may not equal 100.0 percent.						

Home Mortgage Loans

The distribution of home mortgage loans reflects adequate penetration among borrowers of different incomes. Lending to low-income borrowers was consistent with aggregate lending data and substantially below demographic data. Lending to moderate-income borrowers was well below both the demographic and aggregate lending data. However, Lending to moderate-income borrowers improved in 2021 and was consistent with the demographic data.

Distribution of Home Mortgage Loans by Borrower Income Roanoke MSA Assessment Area						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low	19.2	8.3	21	8.5	1,884	4.2
Moderate	17.0	19.6	26	10.6	2,634	5.9
Middle	22.4	20.0	33	13.4	4,768	10.6
Upper	41.4	32.2	149	60.6	32,904	73.4
Not Available	0.0	20.0	17	6.9	2,644	5.9
Totals	100.0	100.0	246	100.0	44,833	100.0
<i>Source: 2015 ACS; 2020 HMDA Data; and, 2020 HMDA Aggregate Data. Due to rounding, totals may not equal 100.0 percent.</i>						

Community Development Loans

First-Citizens Bank made a relatively high level of community development loans in the Roanoke MSA assessment area. The bank originated 11 community development loans totaling \$6.9 million. This amount represents 29.7 percent by number and 9.3 percent by dollar volume of community development loans originated within Virginia. Regarding the community development purpose, 1 loan supports affordable housing, and 10 loans support community services. Examples of community development loans follow.

- \$3.6 million to a non-profit for community services targeted to low- and moderate-income individuals. The non-profit provides support services to individuals, whose incomes are primarily derived from government-funded programs.
- Two \$1.5 million loans to non-profits for community services targeted to low- and moderate-income individuals. The non-profit provides support services to individuals, whose incomes are primarily derived from government-funded programs.

INVESTMENT TEST

First-Citizens Bank has few, if any, qualified investments in the assessment area. The bank exhibits very poor responsiveness to credit and community development needs and did not use innovative and/or complex investments to support community development initiatives.

Investment and Grant Activity

The bank has few, if any, qualified investments in the Roanoke MSA assessment area. Qualified investments consist of 44 donation or grant contributions totaling \$55,050 or less than 1 percent of Virginia's qualified investments. Of these contributions, \$44,050 benefited community services and \$11,000 benefited economic development. Provided below are examples of donations that benefited the assessment area.

- \$10,000 to a non-profit organization that supports community services targeted to low- and moderate-income individuals.

- \$9,000 to an organization that provides economic development opportunities to businesses.

SERVICE TEST

First-Citizens Bank’s delivery systems are accessible to essentially all portions of the Roanoke MSA assessment area. The institution did not open or close any branches in the assessment area during the evaluation period; thus, no adverse impact is noted regarding the accessibility of delivery systems. Services and business hours do not vary in a way that inconveniences certain portions of the assessment area, particularly low- and moderate-income geographies, or individuals. The bank is a leader in providing community development services.

Accessibility of Delivery Systems

Delivery systems are accessible to essentially all portions of the assessment area. The conclusions regarding the accessibility of delivery systems for the assessment area are consistent with the institution overall and the Virginia rated area. The bank does not operate branches in the three low-income tracts; however, the level of population in those tracts is low at 4.2 percent. The branching distribution is consistent with the percentage of the population in moderate-income tracts. Additionally, the bank operates seven ATMs with one ATM (14.3 percent) in a moderate-income tract. Locations of the other bank’s branches enable the bank to reasonably serve the low-and moderate-income tracts where the bank has no branches.

Branch Distribution by Geography Income Level Roanoke MSA Assessment Area						
Tract Income Level	Census Tracts		Population		Branches	
	#	%	#	%	#	%
Low	3	5.6	10,541	4.2	0	0.0
Moderate	8	14.8	38,755	15.4	1	14.3
Middle	27	50.0	117,974	47.1	3	42.9
Upper	16	29.6	83,419	33.3	3	42.9
NA	0	0.0	0	0	0	0
Total	54	100.0	250,689	100.0	7	100.0
<i>Source: 2015 ACS Data and Bank Data Due to rounding, totals may not add to 100 percent.</i>						

Community Development Services

First-Citizens Bank is a leader in providing community development services in the assessment area. Bank employees and Board members provided 64 instances for 957 hours of community development service. These services equate to 3.1 instances and 45.6 hours of community development service per branch per year. This performance accounts for 3.7 percent of bank-wide community development services and 33.2 percent of state-wide community development services by number of loans. The level of community development services is significantly higher than the percentage of branches within the assessment area at 1.3 percent bank-wide and 16.2 percent state-wide. The bank engaged in 61 instances of community development service at the previous evaluation. The following are examples of community development services provided.

- An employee is the Chairman of the Board for the local chamber of commerce.
- An employee is on the Finance Committee of a free clinic serving low-income, uninsured, and/or underinsured residents of the Roanoke Valley.
- An employee is on the Loan Committee of a CDFI that provides guidance, start-up assistance, and loans to small businesses.

RICHMOND MSA ASSESSMENT AREA – Full-Scope Review

DESCRIPTION OF INSTITUTION’S OPERATIONS IN THE RICHMOND MSA ASSESSMENT AREA

The Richmond, VA MSA includes 17 counties and cities; however, the bank delineated only Chesterfield County, Henrico County, and Richmond City as the assessment area. There have been no changes to the assessment area since the last evaluation. The bank operates seven or 16.3 percent of its Virginia branch offices in the Richmond MSA assessment area. The assessment area represents 17.4 percent of the state-wide loans by dollar volume, 15.2 percent of state-wide loans by number, and 12.3 percent of state-wide deposits.

Economic and Demographic Data

The assessment area consists of 201 census tracts, including 28 low-income tracts, 48 moderate-income tracts, 62 middle-income tracts, and 61 upper-income tracts. Two tracts have no income designation. The following table presents demographic information from the 2015 ACS Census and 2020 D&B data.

Demographic Information for the Richmond MSA Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	201	13.9	23.9	30.8	30.3	1.0
Population by Geography	860,775	10.2	22.6	32.6	34.2	0.4
Housing Units by Geography	359,188	10.8	23.6	32.3	33.1	0.1
Owner-Occupied Units by Geography	204,367	5.2	17.8	35.8	41.1	0.0
Occupied Rental Units by Geography	124,243	18.4	31.6	27.8	22.0	0.2
Vacant Units by Geography	30,578	17.0	29.9	27.5	25.2	0.4
Businesses by Geography	95,075	7.1	22.4	30.2	40.0	0.4
Farms by Geography	1,744	4.1	18.3	37.3	40.3	0.1
Family Distribution by Income Level	203,984	21.1	17.6	19.7	41.6	0.0
Household Distribution by Income Level	328,610	23.5	16.8	18.2	41.5	0.0
Median Family Income - Richmond, VA MSA		\$75,183	Median Housing Value			\$225,507
			Median Gross Rent			\$998
			Families Below Poverty Level			9.1%

Source: 2015 ACS and 2020 D&B Data
Due to rounding, totals may not equal 100.0 percent.
(*) The NA category consists of geographies that have not been assigned an income classification.

The Geographic Distribution criterion compares home mortgage loans to the distribution of owner-occupied housing units and compares small business loans to the percentage of businesses located in low-, moderate-, middle-, and upper-income tracts. The 2015 ACS data shows a majority of owner-occupied housing units and businesses are within the middle- and upper-income tracts,

indicating most of the lending opportunities will be in these geographies. The moderate-income tracts contain a good level of owner-occupied housing units and businesses. Low-income tracts also reflect some opportunities.

The FFIEC updated Richmond MSA MFIs were used to analyze home mortgage loans under the Borrower Profile criterion. The following table presents each income category.

Richmond MSA – Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
2019 (\$81,600)	<\$40,800	\$40,800 to <\$65,280	\$65,280 to <\$97,920	≥\$97,920
2020 (\$84,900)	<\$42,450	\$42,450 to <\$67,920	\$67,920 to <\$101,880	≥\$101,880
2021 (\$86,900)	<\$43,450	\$43,450 to <\$69,520	\$69,520 to <\$104,280	≥\$104,280
<i>Source: FFIEC</i>				

The analysis of home mortgage lending by borrower income uses families by income level as a comparison to bank performance. The median housing value is over \$225,000 and prices are continuing to rise due to the current economic conditions, which can potentially make housing unaffordable for low-income individuals. Therefore, lending opportunities to low-income families may be limited.

The analysis of small business loans under the Borrower Profile criterion compares the distribution of small business lending by gross annual revenue. The D&B 2020 distribution of businesses based on gross annual revenues is listed below.

- 88.0 percent reported \$1 million or less;
- 3.7 percent reported more than \$1 million; and
- 8.3 percent did not report revenues.

In 2020, the top industries were Professional and Business Services; Government; and Education and Health Services. In addition, approximately 90.6 percent of area businesses have ten or fewer employees. The top employers were Fort Lee, VCU Health System, HCS Inc., Bon Secours Richmond Health System, and Dominion Resources Inc.

The unemployment rates increased sharply in 2020 due to the COVID-19 pandemic. Unemployment rates dropped sharply in 2021, although the rates in the assessment area are slightly above the pre-pandemic levels. Unemployment rates in Richmond City were above state unemployment rates and the national average. However, unemployment rates in Chesterfield and Henrico Counties were comparable to state unemployment rates and below the national average.

Unemployment Rates			
Area	2019	2020	2021
	%	%	%
Chesterfield County	2.7	5.9	3.7
Henrico County	2.8	6.5	4.0
Richmond City	3.2	8.7	5.5
Virginia	2.8	6.2	3.9
National Average	3.7	8.1	5.2
<i>Source: Bureau of Labor Statistics</i>			

Competition

The assessment area is moderately competitive. According to the FDIC Deposit Market Share data as of June 30, 2021, 27 FDIC-insured institutions operate 192 branches within the assessment area. Of these institutions, First-Citizens Bank ranked 11th with a market share of 0.3 percent. Competitor institutions in the assessment areas include Capital One Bank USA, NA; Bank of America, NA; and Truist Bank. Together, the three competitor institutions account for 87.0 percent of the market share.

There is a high level of competition for home mortgage loans among banks, credit unions, and non-depository mortgage lenders. Aggregate data for 2020 shows 542 lenders reported 62,684 residential mortgage loans originated or purchased. First-Citizens Bank ranked 88th with a market share of 0.2 percent. The five dominant home mortgage lenders accounted for 32.4 percent of total market share by number.

In addition, there is a high level of competition for small business loans within the assessment area. Aggregate data for 2020 shows 155 lenders reported 21,835 small business loans originated or purchased in the assessment area. Overall, First-Citizens Bank ranked 13th with 1.9 percent market share by number of loans and 6th with 5.0 percent of the dollar volume of loans. The five dominant small business lenders accounted for 57.8 percent of the total market share by number.

Credit and Community Development Needs and Opportunities

Considering information from demographic and economic data, examiners determined small business loans represent a primary credit need for the assessment area. The significant percentage of businesses with gross annual revenues of \$1 million or less at 88.0 percent and the large number of businesses with ten or fewer employees at 90.6 percent also support this conclusion. Affordable housing also represents a need as 41.9 percent of the families are low- and moderate-income. Residential housing permits have declined while home prices continue to rise in the assessment area.

CONCLUSIONS ON PERFORMANCE CRITERIA IN RICHMOND MSA ASSESSMENT AREA

LENDING TEST

Lending levels in the Richmond MSA assessment area reflect adequate responsiveness to assessment area credit needs. The geographic distribution reflects adequate penetration throughout the assessment area, and the borrower profile reflects adequate distribution of lending among businesses of different sizes and borrowers of different income levels. The institution uses innovative and/or flexible lending practices and originated a relatively high level of community development loans.

Lending Activity

Lending levels reflect adequate responsiveness to the assessment area's credit needs. The tables presented below detail the number and dollar volume of 2020 small business and home mortgage loans in this assessment area.

Geographic Distribution

The geographic distribution loans is adequate.

Small Business Loans

The geographic distribution of small business loans reflects adequate penetration throughout the assessment area. Lending in low-income tracts was comparable to the aggregate lending performance and just below the demographics. Performance in low-income tracts at 7.8 percent in 2019 exceeded both demographic data of 6.8 percent and aggregate data of 6.4 percent. Lending in moderate-income tracts varied across the review period. In 2020, lending in moderate-income tracts was well below demographic data and aggregate data. However, lending in 2019 in moderate-income tracts was higher at 16.3 percent but was still below demographic data of 22.4 percent and aggregate data of 22.3 percent. Lending in 2021 in moderate-income tracts at 13.6 percent was again well below the demographic data of 23.3 percent.

Geographic Distribution of Small Business Loans Richmond MSA Assessment Area						
Tract Income Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
Low	7.1	6.1	26	6.0	6,429	9.0
Moderate	22.4	20.9	50	11.6	10,537	14.8
Middle	30.2	30.4	119	27.7	19,862	27.8
Upper	40.0	42.3	235	54.7	34,573	48.4
Not Available	0.4	0.3	0	0.0	0	0.0
Totals	100.0	100.0	430	100.0	71,041	100.0
<i>Source: 2015 ACS; 2020 CRA Data; and, 2020 CRA Aggregate Data. Due to rounding, totals may not equal 100.0 percent.</i>						

Home Mortgage Loans

The geographic distribution of home mortgage loans reflects adequate penetration throughout the assessment area particularly to moderate-income geographies. Lending in low-income tracts was consistent demographic and aggregate lending data. However, the bank's performance in moderate-income tracts was significantly lower than both demographic and aggregate lending data. However, in 2019, lending in moderate-income tracts was higher at 10.4 percent; although, the performance was still below the demographic data of 17.8 percent and aggregate data of 15.8 percent.

Geographic Distribution of Home Mortgage Loans Richmond MSA Assessment Area						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low	5.2	4.2	4	4.3	330	1.7
Moderate	17.8	13.8	3	3.2	402	2.1
Middle	35.8	31.7	25	26.9	4,785	25.2
Upper	41.1	50.3	61	65.6	13,456	70.9
Totals	100.0	100.0	93	100.0	18,973	100.0
<i>Source: 2015 ACS; 2020 HMDA Data; and, 2020 HMDA Aggregate Data. Due to rounding, totals may not equal 100.0 percent.</i>						

Borrower Profile

The distribution of small business loans to businesses of different sizes and home mortgage loans to borrowers of different incomes is adequate.

Small Business Loans

Lending to businesses with gross annual revenues of \$1 million or less is adequate. In 2020, lending performance was significantly lower than demographic and below aggregate data but within a reasonable range.

Distribution of Small Business Loans by Gross Annual Revenue Category Richmond MSA Assessment Area						
Gross Revenue Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
<=\$1,000,000	88.0	46.8	171	39.8	21,179	29.7
>\$1,000,000	3.7	--	189	44.0	43,329	60.7
Revenue Not Available	8.3	--	70	16.3	6,893	9.7
Totals	100.0	100.0	430	100.0	71,401	100.0

Source: 2020 D&B Data; 2020 CRA Data; and, 2020 CRA Aggregate Data.
 "--" data not available.
 Due to rounding, totals may not equal 100.0 percent.

Home Mortgage Loans

The distribution of home mortgage loans reflects adequate penetration among borrowers of different incomes. Lending to low-income borrowers was significantly below demographic data but consistent with aggregate lending data. Lending to moderate-income borrowers was significantly lower than both demographic and aggregate lending data.

Distribution of Home Mortgage Loans by Borrower Income Richmond MSA Assessment Area						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low	21.1	6.2	5	5.4	354	1.9
Moderate	17.6	17.7	8	8.6	966	5.1
Middle	19.7	19.7	15	16.1	1,765	9.3
Upper	41.6	37.5	54	58.1	13,570	71.5
Not Available	0.0	18.9	11	11.8	2,319	12.2
Totals	100.0	100.0	93	100.0	18,973	100.0

Source: 2015 ACS; 2020 HMDA Data; and, 2020 HMDA Aggregate Data.

Community Development Loans

First-Citizens Bank has made a relatively high level of community development loans in the Richmond MSA assessment area. The bank originated three community development loans totaling \$8.6 million. This amount represents 8.1 percent by number and 11.6 percent by dollar volume of community development loans originated in Virginia. Regarding the community development purpose, one loan supported community services, and two loans supported revitalization or stabilization. Examples of community development loans follow.

- \$4.6 million to purchase and buildout a property in a moderate-income census tract to stabilize the geography retain and attract businesses.
- \$4.0 million loan to purchase and develop mix-used space located in a low-income census tract, which helped with revitalization and stabilization efforts within the community.

INVESTMENT TEST

First-Citizens Bank has an adequate level of qualified investments in the assessment area. The bank exhibits good responsiveness to credit and community development needs and occasionally uses innovative and/or complex investments to support community development initiatives.

Investment and Grant Activity

The bank has a significant level of qualified investments in the Richmond MSA assessment area. Qualified investments total \$8.5 million or 12.4 percent of Virginia qualified investments. Investments during the rating period include three regionally-based investment funds supporting affordable housing, \$3.8 million of which benefited this assessment area. Prior period regionally-based investments consist of an investment totaling \$550,159 supporting affordable housing projects and a regionally-based GNMA MBS, of which \$2.8 million supported an affordable housing project in the assessment area. Furthermore, the bank participated in a nationwide GNMA MBS in the prior period, of which \$1.3 million supported affordable housing in the assessment area. Contributions consisted of three donations or grants totaling \$2,150, which were all donated to a non-profit organization that provides community services to low- and moderate-income individuals.

SERVICE TEST

First-Citizens Bank's delivery systems are reasonably accessible to essentially all portions of the Richmond MSA assessment area. The institution's opening and closing of branches improved the accessibility of its delivery systems. Services and business hours do not vary in a way that inconveniences certain portions of the assessment area, particularly low- and moderate-income geographies, or individuals. The bank provided a limited level of community development services.

Accessibility of Delivery Systems

Delivery systems are reasonably accessible to essentially all portions of the assessment area. The conclusions regarding the accessibility of delivery systems for the assessment area are less than both the institution overall and the Virginia rated area. The bank operates no branches in low-income tracts. The branching access in moderate-income tracts is below the percentage of the population in those geographies. The bank operates six ATMs in the assessment area, with non in low- or moderate-income tracts.

Branch Distribution by Geography Income Level Richmond MSA Assessment Area						
Tract Income Level	Census Tracts		Population		Branches	
	#	%	#	%	#	%
Low	28	13.9	88,190	10.3	0	0.0
Moderate	48	23.9	194,440	22.6	1	14.3
Middle	62	30.9	280,226	32.6	2	28.6
Upper	61	30.3	294,245	57.1	4	57.1
NA	2	1.0	3,674	0.4	0	0.0
Total	201	100.0	860,775	100.0	7	100.0
<i>Source: 2015 ACS Data and Bank Data</i>						

Changes in Branch Locations

To the extent changes have been made, the institution’s opening and closing of branches improved the accessibility of its delivery systems, particularly in moderate-income geographies and/or to low- and moderate-income individuals. Since the previous evaluation, the bank opened two branches, with one in a moderate-income tract and one in a middle-income tract. The bank closed one branch in a middle-income tract located less than five miles away from the newly opened branch in the middle-income tract.

Community Development Services

First-Citizens Bank provided a limited level of community development services in the assessment area. Bank employees and Board members provided four instances for 71 hours of community development service. These services equate to 0.2 instances and 3.4 hours of community development service per branch per year. This performance accounts for 0.3 percent of the bank-wide community development services and 2.5 percent of state-wide community development services by number of hours. The level of community development services is lower than the percentage of branches within the assessment area at 1.3 percent bank-wide and 16.3 percent state-wide. The bank engaged in nine instances of community development service at the previous evaluation. Three of the four services were for financial education to small businesses, with the fourth service being an employee who assists a community service organization with fundraising.

WASHINGTON MSA ASSESSMENT AREA – Full-Scope Review

DESCRIPTION OF INSTITUTION’S OPERATIONS IN THE WASHINGTON MSA ASSESSMENT AREA

The Washington-Arlington-Alexandria, DC-VA-MD-WV MSA includes 12 counties and 6 cities; however, the bank delineated Arlington, Fairfax, Loudoun, and Spotsylvania Counties as well as Fairfax and Fredericksburg Cities as the assessment area. In September of 2020, First-Citizens Bank closed the Front Royal branch resulting in Warren County, Virginia being removed from the Washington MSA assessment area. The bank operates 4 or 9.3 percent of its Virginia branch offices in the Washington MSA assessment area. The assessment area represents 15.0 percent of the state-wide loans by dollar volume, 13.1 percent of state-wide loans by number, and 8.5 percent of state-wide deposits.

Economic and Demographic Data

The assessment area consists of 423 census tracts, including 13 low-income tracts, 50 moderate-income tracts, 150 middle-income tracts, and 203 upper-income tracts. Seven tracts have no income designation. The following table presents demographic information from the 2015 ACS Census and 2020 D&B data.

Demographic Information for the Washington MSA Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	423	3.1	11.8	35.5	48.0	1.7
Population by Geography	1,882,284	3.6	11.9	34.9	49.5	0.1
Housing Units by Geography	704,336	3.4	12.2	35.9	48.4	0.0
Owner-Occupied Units by Geography	438,838	1.2	8.8	32.8	57.1	0.0
Occupied Rental Units by Geography	226,760	7.5	18.3	41.7	32.5	0.0
Vacant Units by Geography	38,738	4.3	15.3	37.0	43.2	0.2
Businesses by Geography	236,002	2.5	8.7	35.4	53.1	0.2
Farms by Geography	3,525	2.4	10.9	32.3	54.3	0.1
Family Distribution by Income Level	458,666	16.6	14.0	19.6	49.8	0.0
Household Distribution by Income Level	665,598	17.1	13.9	18.4	50.6	0.0
Median Family Income - Washington-Arlington-Alexandria, DC-VA-MD-WV		\$106,105	Median Housing Value			\$481,304
			Median Gross Rent			\$1,741
			Families Below Poverty Level			4.2%
<i>Source: 2015 ACS and 2020 D&B Data</i> <i>Due to rounding, totals may not equal 100.0 percent.</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

The Geographic Distribution criterion compares home mortgage loans to the distribution of owner-occupied housing units and compares small business loans to the percentage of businesses located in low-, moderate-, middle-, and upper-income tracts. The 2015 ACS data shows a significant majority of owner-occupied housing units and businesses are within the middle- and upper-income tracts, indicating most of the lending opportunities will be in these geographies. The moderate-income tracts contain a fair level of owner-occupied housing units and businesses, while significantly fewer opportunities are indicated in the low-income tracts.

The FFIEC updated Washington-Arlington-Alexandria, DC-VA-MD-WV MSA MFIs were used to analyze home mortgage loans under the Borrower Profile criterion. The following table presents each income category.

Washington MSA - Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
2019 (\$114,700)	<\$57,350	\$57,350 to <\$91,760	\$91,760 to <\$137,640	≥\$137,640
2020 (\$118,700)	<\$59,350	\$59,350 to <\$94,960	\$94,960 to <\$142,440	≥\$142,440
2021 (\$122,100)	<\$61,050	\$61,050 to <\$97,680	\$97,680 to <\$146,520	≥\$146,520
<i>Source: FFIEC</i>				

The analysis of home mortgage lending by borrower income uses families by income level as a comparison to bank performance. The median housing value is over \$481,000, and prices are continuing to rise due to the current economic conditions, which can potentially make housing increasingly unaffordable for low- and moderate-income individuals. Therefore, lending opportunities to low- and moderate-income families are limited.

The analysis of small business loans under the Borrower Profile criterion compares the distribution of small business lending by gross annual revenue. The D&B 2020 distribution of small businesses based on gross annual revenues is listed below.

- 89.3 percent reported \$1 million or less;
- 4.1 percent reported more than \$1 million; and
- 6.6 percent did not report revenues.

In 2020, the top industries were Professional and Business Services; Government; and, Education and Health Services. In addition, approximately 91.2 percent of area businesses have ten or fewer employees. The top employers were Naval Support Activity Washington, Joint Base Andrews-Naval Air Facility, MedStar Health, Marriott International Inc., and Inova Health System.

The unemployment rates increased sharply in 2020 due to the COVID-19 pandemic. Unemployment rates dropped sharply in 2021, although the rates in all counties comprising the assessment area remain above the pre-pandemic levels. Unemployment rates in six of the seven counties and cities in the assessment area were below state unemployment rates and well below the national averages.

Unemployment Rates			
Area	2019	2020	2021
	%	%	%
Arlington County	1.9	4.5	3.0
Fairfax County	2.3	5.8	3.5
Loudoun County	2.3	5.3	3.1
Spotsylvania County	2.8	5.8	3.5
Warren County	2.8	5.8	3.5
Fairfax City	2.1	5.8	3.4
Fredericksburg City	3.3	7.1	4.7
Virginia	2.8	6.2	3.9
National Average	3.7	8.1	5.2
<i>Source: Bureau of Labor Statistics</i>			

Competition

The assessment area is highly competitive. According to the FDIC Deposit Market Share data as of June 30, 2021, 50 FDIC-insured institutions operate 484 branches within the assessment area. Of these institutions, First-Citizens Bank ranked 31st with a market share of 0.1 percent. Competitor institutions in the assessment areas include E*TRADE Bank, Capital One, NA, and Truist Bank. Together, the three competitor institutions account for 62.0 percent of the market share.

There is a high level of competition for home mortgage loans among banks, credit unions, and non-depository mortgage lenders. Aggregate data for 2020 shows 725 lenders reported 179,270 residential mortgage loans originated or purchased. First-Citizens Bank ranked 221st with a market share of less than 0.1 percent. The five dominant home mortgage lenders accounted for 24.7 percent of total market share by number.

In addition, there is a high level of competition for small business loans within the assessment area. Aggregate data for 2020 shows 234 lenders reported 60,367 small business loans originated or purchased in the assessment area. Overall, First-Citizens Bank ranked 23rd with 0.7 percent market share by number of loans and 14th with 1.8 percent of the dollar volume of loans. The five dominant small business lenders accounted for 55.9 percent of the total market share by number.

Credit and Community Development Needs and Opportunities

Considering information from demographic and economic data, examiners determined small business loans represent a primary credit need for the assessment area. The significant percentage of businesses with gross annual revenues of \$1 million or less at 89.3 percent and the large number of businesses with ten or fewer employees at 91.2 percent support this conclusion. Affordable housing also represents a need as 31.2 percent of the families are low- and moderate-income. Housing price growth has slowed from its peak in 2021, although prices remain higher than both state and national averages.

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE WASHINGTON MSA ASSESSMENT AREA

LENDING TEST

Lending levels in the Washington MSA assessment area reflect adequate responsiveness to assessment area credit needs. The geographic distribution reflects good penetration throughout the assessment area, and the borrower profile reflects adequate distribution of lending among businesses of different sizes and borrowers of different income levels. The institution uses innovative and/or flexible lending practices and originated a low level of community development loans.

Lending Activity

Lending levels reflect adequate responsiveness to the assessment area's credit needs. The tables presented below detail the number and dollar volume of 2020 small business and home mortgage loans in this assessment area.

Geographic Distribution

The geographic distribution of loans is good.

Small Business Loans

The geographic distribution of small business loans reflects excellent penetration throughout the assessment area. Lending in low- and moderate-income tracts was significantly above demographic and aggregate lending data.

Geographic Distribution of Small Business Loans Washington MSA Assessment Area						
Tract Income Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
Low	2.5	2.4	32	7.4	7,081	9.9
Moderate	9.6	9.3	71	16.5	9,737	13.6
Middle	35.3	36.2	160	37.1	26,539	37.0
Upper	52.3	52.0	168	39.0	28,402	39.6
Not Available	0.2	0.1	0	0.0	0	0.0
Totals	100.0	100.0	431	100.0	71,759	100.0
<i>Source: 2015 ACS; 2020 CRA Data; and, 2020 CRA Aggregate Data. Due to rounding, totals may not equal 100.0 percent.</i>						

Home Mortgage Loans

The geographic distribution of home mortgage loans is adequate. The bank did not originate any loans in low income tracts; however, the low demographic and aggregate lending data indicate

limited opportunities in these tracts. The bank's performance in moderate-income tracts was consistent with aggregate lending data but below demographic data.

Geographic Distribution of Home Mortgage Loans Washington MSA Assessment Area						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low	1.2	1.0	0	0.0	0	0.0
Moderate	10.2	8.3	4	8.2	917	8.5
Middle	32.9	30.2	10	20.4	1,753	16.2
Upper	55.7	60.5	35	71.4	8,176	75.4
Totals	100.0	100.0	49	100.0	10,846	100.0
<i>Source: 2015 ACS; 2020 HMDA Data; and, 2020 HMDA Aggregate Data. Due to rounding, totals may not equal 100.0 percent.</i>						

Borrower Profile

The distribution of small business loans to businesses of different sizes and home mortgage loans to borrowers of different incomes is adequate.

Small Business Loans

The distribution of small business loans reflects adequate penetration to businesses with gross annual revenues of \$1 million or less. Lending to small businesses was significantly below demographic data but just below aggregate data.

Distribution of Small Business Loans by Gross Annual Revenue Category Washington MSA Assessment Area						
Gross Revenue Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
<=\$1,000,000	89.3	46.1	184	42.7	22,747	31.7
>\$1,000,000	4.1	--	155	36.0	34,091	47.5
Revenue Not Available	6.6	--	92	21.3	14,921	20.8
Totals	100.0	100.0	431	100.0	71,759	100.0
<i>Source: 2020 D&B Data; 2020 CRA Data; and, 2020 CRA Aggregate Data. "--" data not available.</i>						

Home Mortgage Loans

The distribution of home mortgage loans reflects adequate penetration among borrowers of different incomes. The bank did not make any loans to low-income borrowers; however, as previously stated, lending to low-income borrowers is somewhat limited given the high median housing value compared to the income levels. Additionally, aggregate lending was low at 3.9 percent. Lending to moderate-income borrowers was below demographic data and just below aggregate lending data.

Distribution of Home Mortgage Loans by Borrower Income Washington MSA Assessment Area						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low	17.0	3.9	0	0.0	0	0.0
Moderate	14.2	12.2	5	10.2	1,031	9.5
Middle	19.7	21.4	4	8.2	440	4.1
Upper	49.1	43.0	40	81.6	9,375	86.4
Not Available	0.0	19.5	0	0.0	0	0.0
Totals	100.0	100.0	49	100.0	10,846	100.0
<i>Source: 2015 ACS; 2020 HMDA Data; and, 2020 HMDA Aggregate Data.</i>						

Community Development Loans

First-Citizens Bank made a low level of community development loans in the Washington MSA assessment area. The bank originated three community development loans totaling \$1.7 million. This amount represents 8.1 percent by number and 2.2 percent by dollar volume of community development loans originated in Virginia. Regarding the community development purpose, one loan supports revitalization or stabilization, and two loans supported community services. An example of a community development loan follows.

- \$500,000 revolving line-of-credit to an organization that provides community services to low- and moderate-income individuals. The line-of-credit originated in 2020 and was renewed in 2021.

INVESTMENT TEST

First-Citizens Bank has an excellent level of qualified investments in the assessment area. The bank exhibits good responsiveness to credit and community development needs and occasionally uses innovative and/or complex investments to support community development initiatives.

Investment and Grant Activity

The bank has an excellent level of qualified investments in the Washington MSA assessment area. Qualified investments total \$57.9 million or 84.2 percent of Virginia qualified investments. Investments during the rating period include two nationwide GNMA MBS supporting affordable housing, of which \$48.4 million benefited this assessment area. Additionally, the bank participated in a regionally-based GNMA MBS in the prior period, of which \$9.3 million supported affordable housing in the Washington MSA assessment area and in a nationwide GNMA MBS, of which \$840,672 supported affordable housing. The bank also invested in a regionally-based SBA pool that supported economic development and totaled \$95,000. Contributions consisted of 17 donations or grants totaling \$78,510. Of these contributions, \$4,260 benefited affordable housing, \$11,750 benefited community services, and \$62,500 benefited economic development. Provided below are examples of donations that benefited the assessment area.

- \$60,000 to an organization that provides economic development consulting opportunities for businesses.
- \$2,750 to an organization that provides community services targeted to low- and moderate-income individuals.

SERVICE TEST

First-Citizens Bank’s delivery systems are accessible to essentially all portions of the Washington MSA assessment area. The institution’s opening and closing of branches has adversely affected the accessibility of its delivery systems. Services and business hours do not vary in a way that inconveniences certain portions of the assessment area, particularly low- and moderate-income geographies, or individuals. The bank provided a low level of community development services.

Accessibility of Delivery Systems

Delivery systems are accessible to essentially all portions of the assessment area. The conclusions regarding the accessibility of delivery systems for the assessment area are consistent with both the institution overall and the Virginia rated area. Branches in the low-income tracts significantly exceeds the population in the low-income tracts. The bank also operates two of three ATMs in the assessment area in low-income tracts. The bank operates no branches or ATMs in moderate-income tracts.

Branch Distribution by Geography Income Level Washington MSA Assessment Area						
Tract Income Level	Census Tracts		Population		Branches	
	#	%	#	%	#	%
Low	13	3.1	67,662	3.6	2	50.0
Moderate	50	11.8	224,239	11.9	0	0.0
Middle	150	35.4	656,580	34.9	1	25.0
Upper	203	48.0	931,419	49.5	1	25.0
NA	7	1.7	2,384	0.1	0	0.0
Total	423	100.0	1,882,284	100.0	4	100.0
<i>Source: 2015 ACS Data and Bank Data</i>						

Changes in Branch Locations

To the extent changes have been made, the institution’s opening and closing of branches has adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and/or to low- and moderate-income individuals. Since the previous evaluation, the bank has not opened or acquired any branches. The bank closed one branch located in a moderate-income tract. The nearest branch is located approximately 19.3 miles away in an upper-income tract in the Winchester MSA assessment area. As a result, the closure negatively impacted the accessibility of banking services in the moderate-income geography.

Community Development Services

First-Citizens Bank provided a low level of community development services in the assessment area. Bank employees and Board members provided 11 instances for 51 hours of community development service. These services equate to 0.9 instance and 4.3 hours of community development service per branch per year. This performance accounts for 0.2 percent of the bank-wide community development services and 1.8 percent of state-wide community development services by number of hours. The level of community development services is lower than the percentage of branches within the assessment area at 0.8 percent bank-wide and 9.3 percent state-wide. The bank engaged in 15 instances of community development service at the previous evaluation. In the majority of service instances, a bank employee served as an education partner or presenter for local organizations that included a local housing authority and business agencies.

OTHER ASSESSMENT AREAS – Limited-Scope Review

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE LIMITED-SCOPE ASSESSMENT AREAS

The following table summarizes the conclusions for the Virginia assessment areas reviewed using limited-scope examination procedures. Conclusions regarding the institution’s CRA performance within the limited-scope areas were derived from reviewing available facts and data, including performance data, aggregate lending data comparisons, and demographic information. The conclusions did not alter the bank’s overall performance rating.

Assessment Area	Lending Test	Investment Test	Service Test
Lynchburg MSA	Below	Below	Consistent
Blacksburg MSA	Below	Below	Below
Charlottesville MSA	Below	Below	Consistent
Harrisonburg MSA	Consistent	Below	Consistent
Staunton MSA	Below	Consistent	Consistent
Winchester MSA	Below	Consistent	Below

The branch distribution and alternative delivery systems for the limited-scope assessment areas are generally consistent with the overall institution. Additionally, the service hours, loan and deposit products, services, and branch hours do not inconvenience low- and moderate-income individuals or areas.

A summary of First-Citizens Bank’s operations and activities for limited-scope area, as well as geographic distribution and borrower profile data for 2020 are presented below. Demographic data and market share information for the limited-scope assessment area are detailed in the Appendices.

Lynchburg MSA Assessment Area

The Lynchburg, VA MSA comprises four counties and one city; however, the bank delineated Bedford County, Campbell County, and Lynchburg City as the assessment area. First-Citizens Bank operates four branches in this assessment area, which accounts for 9.3 percent of state-wide branches. In addition, the assessment area accounts for 8.7 percent of state-wide lending and 11.1 percent of state-wide deposits.

The following activities occurred in the assessment area during the review period.

Activity	#	\$(000s)
Home Mortgage Loans	378	63,032
Small Business Loans	357	52,371
Community Development Loans	1	21
Investments (New)	--	--
Investments (Prior Period)	--	--
Donations	10	4
Community Development Services	19	205 hours
<i>Small business and home mortgage lending volumes are based on the combined 2019, 2020, and 2021 lending data, while the community development loans, qualified investments, and community development services are from previous evaluation through December 31, 2021. Qualified investments also include those from prior periods that remain outstanding.</i>		

Geographic Distribution and Borrower Profile

Geographic Distribution of Home Mortgage Loans Lynchburg MSA Assessment Area						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low	1.9	0.9	0	0.0	0	0.0
Moderate	14.2	14.4	15	12.2	1,628	8.2
Middle	59.7	52.8	71	57.7	10,910	55.0
Upper	24.3	31.9	37	30.1	7,301	36.8
Totals	100.0	100.0	123	100.0	19,839	100.0
<i>Source: 2015 ACS; 2020 HMDA Data; and, 2020 HMDA Aggregate Data. Due to rounding, totals may not equal 100.0 percent.</i>						

Geographic Distribution of Small Business Loans Lynchburg MSA Assessment Area						
Tract Income Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
Low	1.4	1.5	2	1.2	296	1.1
Moderate	21.3	21.6	57	35.4	15,043	56.7
Middle	51.0	48.3	71	44.1	7,903	29.8
Upper	26.3	28.6	31	19.3	3,289	12.4
Totals	100.0	100.0	161	100.0	26,531	100.0

Source: 2015 ACS; 2020 CRA Data; and, 2020 CRA Aggregate Data.

Distribution of Home Mortgage Loans by Borrower Income Level Lynchburg MSA Assessment Area						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low	20.8	8.5	8	6.5	733	3.7
Moderate	17.4	18.1	18	14.6	2,251	11.3
Middle	21.5	20.2	23	18.7	3,129	15.8
Upper	40.3	36.3	70	56.9	13,315	67.1
Not Available	0.0	16.9	4	3.3	410	2.1
Totals	100.0	100.0	123	100.0	19,839	100.0

Source: 2015 ACS; 2020 HMDA Data; and, 2020 HMDA Aggregate Data.

Distribution of Small Business Loans by Gross Annual Revenue Category Lynchburg MSA Assessment Area						
Gross Revenue Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
<=\$1,000,000	86.5	44.2	79	49.1	6,236	23.5
>\$1,000,000	4.2	--	66	41.0	19,584	73.8
Revenue Not Available	9.4	--	16	9.9	711	2.7
Totals	100.0	100.0	161	100.0	26,531	100.0

Source: 2020 D&B Data; 2020 CRA Data; and, 2020 CRA Aggregate Data.
 "--" data not available.
 Due to rounding, totals may not equal 100.0 percent.

Blacksburg MSA Assessment Area

The Blacksburg, VA MSA comprises three counties and one city; however, the bank delineated Montgomery County as the Blacksburg MSA assessment area. First-Citizens Bank operates one branch in this assessment area, which accounts for 2.3 percent of state-wide branches. In addition, the assessment area accounts for 3.0 percent of state-wide lending and 1.3 percent of state-wide deposits.

The following activities occurred in the assessment area during the review period.

Activity	#	\$(000s)
Home Mortgage Loans	170	28,798
Small Business Loans	103	11,797
Community Development Loans	--	--
Investments (New)	--	--
Investments (Prior Period)	--	--
Donations	3	1
Community Development Services	3	5 hours
<i>Small business and home mortgage lending volumes are based on the combined 2019, 2020, and 2021 lending data, while the community development loans, qualified investments, and community development services are from previous evaluation through December 31, 2021. Qualified investments also include those from prior periods that remain outstanding.</i>		

Geographic Distribution and Borrower Profile

Geographic Distribution of Home Mortgage Loans Blacksburg MSA Assessment Area						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Moderate	2.2	3.9	2	3.8	548	5.8
Middle	55.5	46.2	23	44.2	3,369	35.5
Upper	42.3	49.9	27	51.9	5,584	58.8
Totals	100.0	100.0	52	100.0	9,502	100.0
<i>Source: 2015 ACS; 2020 HMDA Data; and, 2020 HMDA Aggregate Data. Due to rounding, totals may not equal 100.0 percent.</i>						

Geographic Distribution of Small Business Loans Blacksburg MSA Assessment Area						
Tract Income Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
Moderate	2.7	2.5	0	0.0	0	0.0
Middle	55.4	62.2	35	70.0	5,010	85.0
Upper	41.1	35.2	15	30.0	885	15.0
Not Available	0.7	0.0	0	0.0	0	0.0
Totals	100.0	100.0	50	100.0	5,895	100.0

*Source: 2015 ACS; 2020 CRA Data; and, 2020 CRA Aggregate Data.
Due to rounding, totals may not equal 100.0 percent.*

Distribution of Home Mortgage Loans by Borrower Income Level Blacksburg MSA Assessment Area						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low	17.3	3.7	2	3.8	215	2.3
Moderate	15.5	12.2	7	13.5	967	10.2
Middle	19.6	18.1	9	17.3	1,268	13.3
Upper	47.7	48.2	30	57.7	6,445	67.8
Not Available	0.0	17.8	4	7.7	607	6.4
Totals	100.0	100.0	52	100.0	9,502	100.0

*Source: 2015 ACS; 2020 HMDA Data; and, 2020 HMDA Aggregate Data.
Due to rounding, totals may not equal 100.0 percent.*

Distribution of Small Business Loans by Gross Annual Revenue Category Blacksburg MSA Assessment Area						
Gross Revenue Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
<=\$1,000,000	83.8	47.3	27	54.0	1,751	29.7
>\$1,000,000	4.0	--	20	40.0	3,804	64.5
Revenue Not Available	12.2	--	3	6.0	340	5.8
Totals	100.0	100.0	50	100.0	5,895	100.0

*Source: 2020 D&B Data; 2020 CRA Data; and, 2020 CRA Aggregate Data.
"--" data not available.*

Charlottesville MSA Assessment Area

The Charlottesville, VA MSA comprises four counties and one city; however, the bank delineated Albemarle County and Charlottesville City as the assessment area. First-Citizens Bank operates two branches in this assessment area, which accounts for 4.7 percent of state-wide branches. In addition, the assessment area accounts for 8.8 percent of state-wide lending and 4.8 percent of state-wide deposits.

The following activities occurred in the assessment area during the review period.

Activity	#	\$(000s)
Home Mortgage Loans	245	56,284
Small Business Loans	433	61,417
Community Development Loans	1	49
Investments (New)	--	--
Investments (Prior Period)	--	--
Donations	19	18
Community Development Services	15	111 hours
<i>Small business and home mortgage lending volumes are based on the combined 2019, 2020, and 2021 lending data, while the community development loans, qualified investments, and community development services are from previous evaluation through December 31, 2021. Qualified investments also include those from prior periods that remain outstanding.</i>		

Geographic Distribution and Borrower Profile

Geographic Distribution of Home Mortgage Loans Charlottesville MSA Assessment Area						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low	4.1	4.2	2	2.5	650	3.6
Moderate	14.3	10.7	9	11.3	1,221	6.8
Middle	41.2	38.9	31	38.8	6,063	33.8
Upper	40.3	46.2	38	47.5	10,015	55.8
Totals	100.0	100.0	80	100.0	17,949	100.0
<i>Source: 2015 ACS; 2020 HMDA Data; and, 2020 HMDA Aggregate Data. Due to rounding, totals may not equal 100.0 percent.</i>						

Geographic Distribution of Small Business Loans Charlottesville MSA Assessment Area						
Tract Income Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
Low	4.5	5.6	6	2.8	1,194	3.9
Moderate	14.3	14.2	50	23.5	5,936	19.6
Middle	34.7	35.0	79	37.1	12,195	40.2
Upper	46.0	45.2	78	36.6	11,024	36.3
Totals	100.0	100.0	213	100.0	30,349	100.0

*Source: 2015 ACS; 2020 CRA Data; and, 2020 CRA Aggregate Data.
Due to rounding, totals may not equal 100.0 percent.*

Distribution of Home Mortgage Loans by Borrower Income Level Charlottesville MSA Assessment Area						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low	19.0	3.6	2	2.5	192	1.1
Moderate	15.0	13.5	8	10.0	1,282	7.1
Middle	18.8	19.1	14	17.5	2,832	15.8
Upper	47.2	49.2	51	63.8	12,788	71.2
Not Available	0.0	14.6	5	6.3	855	4.8
Totals	100.0	100.0	80	100.0	17,949	100.0

*Source: 2015 ACS; 2020 HMDA Data; and, 2020 HMDA Aggregate Data.
Due to rounding, totals may not equal 100.0 percent.*

Distribution of Small Business Loans by Gross Annual Revenue Category Charlottesville MSA Assessment Area						
Gross Revenue Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
<=\$1,000,000	87.0	47.4	80	37.6	9,138	30.1
>\$1,000,000	4.1	--	108	50.7	19,301	63.6
Revenue Not Available	8.9	--	25	11.7	1,910	6.3
Totals	100.0	100.0	213	100.0	30,349	100.0

*Source: 2020 D&B Data; 2020 CRA Data; and, 2020 CRA Aggregate Data.
"--" data not available.*

Harrisonburg MSA Assessment Area

The Harrisonburg MSA assessment area consists of Rockingham County and Harrisonburg City, which comprises the entire Harrisonburg, VA MSA. First-Citizens Bank operates one branch in this assessment area, which accounts for 2.3 percent of state-wide branches. In addition, the assessment area accounts for 3.2 percent of state-wide lending and 1.9 percent of state-wide deposits.

The following activities occurred in the assessment area during the review period.

Activity	#	\$(000s)
Home Mortgage Loans	114	21,192
Small Business Loans	139	21,464
Community Development Loans	1	8,800
Investments (New)	--	--
Investments (Prior Period)	--	--
Donations	11	11
Community Development Services	9	207 hours
<i>Small business and home mortgage lending volumes are based on the combined 2019, 2020, and 2021 lending data, while the community development loans, qualified investments, and community development services are from previous evaluation through December 31, 2021. Qualified investments also include those from prior periods that remain outstanding.</i>		

Geographic Distribution and Borrower Profile

Geographic Distribution of Home Mortgage Loans Harrisonburg MSA Assessment Area						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low	0.4	1.1	0	0.0	0	0.0
Moderate	10.0	11.2	4	9.5	370	4.8
Middle	76.9	67.0	24	57.1	3,390	44.0
Upper	12.7	20.8	14	33.3	3,936	51.1
Totals	100.0	100.0	42	100.0	7,696	100.0
<i>Source: 2015 ACS; 2020 HMDA Data; and, 2020 HMDA Aggregate Data. Due to rounding, totals may not equal 100.0 percent.</i>						

Geographic Distribution of Small Business Loans Harrisonburg MSA Assessment Area						
Tract Income Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
Low	1.9	1.1	0	0.0	0	0.0
Moderate	19.9	20.6	15	25.9	2,856	37.3
Middle	62.9	62.5	26	44.8	3,412	44.5
Upper	15.3	15.8	17	29.3	1,399	18.2
Totals	100.0	100.0	58	100.0	7,667	100.0

Source: 2015 ACS; 2020 CRA Data; and, 2020 CRA Aggregate Data.

Distribution of Home Mortgage Loans by Borrower Income Level Harrisonburg MSA Assessment Area						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low	18.6	5.2	2	4.8	154	2.0
Moderate	19.5	19.4	6	14.3	566	7.4
Middle	22.7	22.2	8	19.0	734	9.5
Upper	39.3	34.9	26	61.9	6,241	81.1
Not Available	0.0	18.3	0	0.0	0	0.0
Totals	100.0	100.0	42	100.0	7,696	100.0

Source: 2015 ACS; 2020 HMDA Data; and, 2020 HMDA Aggregate Data.
Due to rounding, totals may not equal 100.0 percent.

Distribution of Small Business Loans by Gross Annual Revenue Category Harrisonburg MSA Assessment Area						
Gross Revenue Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
<=\$1,000,000	86.4	41.0	21	36.2	2,471	32.2
>\$1,000,000	3.9	--	26	44.8	4,482	58.5
Revenue Not Available	9.6	--	11	19.0	714	9.3
Totals	100.0	100.0	58	100.0	7,667	100.0

Source: 2020 D&B Data; 2020 CRA Data; and, 2020 CRA Aggregate Data.
"--" data not available.
Due to rounding, totals may not equal 100.0 percent.

Staunton MSA Assessment Area

The Staunton MSA assessment area consists of Augusta County, Staunton City, and Waynesboro City, which comprises the entire Staunton, VA MSA. First-Citizens Bank operates one branch in this assessment area, which accounts for 2.3 percent of state-wide branches. In addition, the assessment area accounts for 2.2 percent of state-wide lending and 1.8 percent of state-wide deposits.

The following activities occurred in the assessment area during the review period.

Activity	#	\$(000s)
Home Mortgage Loans	104	14,404
Small Business Loans	99	13,636
Community Development Loans	--	--
Investments (New)	1	750*
Investments (Prior Period)	--	--
Donations	3	1
Community Development Services	6	62 (hours)
<i>Small business and home mortgage lending volumes are based on the combined 2019, 2020, and 2021 lending data, while the community development loans, qualified investments, and community development services are from previous evaluation through December 31, 2021. Qualified investments also include those from prior periods that remain outstanding.</i>		
<i>* The bank invested in a regionally-based investment supporting affordable housing, of which \$750,000 benefited the Staunton MSA assessment area.</i>		

Geographic Distribution and Borrower Profile

Geographic Distribution of Home Mortgage Loans Staunton MSA Assessment Area						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low	0.2	0.2	1	4.2	290	8.9
Moderate	9.2	9.4	1	4.2	100	3.1
Middle	83.1	81.6	20	83.3	2,540	78.3
Upper	7.4	8.7	2	8.3	312	9.6
Totals	100.0	100.0	24	100.0	3,242	100.0
<i>Source: 2015 ACS; 2020 HMDA Data; and, 2020 HMDA Aggregate Data. Due to rounding, totals may not equal 100.0 percent.</i>						

Geographic Distribution of Small Business Loans Staunton MSA Assessment Area						
Tract Income Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
Low	4.0	3.4	1	2.1	89	1.1
Moderate	5.9	6.8	2	4.2	450	5.5
Middle	82.5	81.5	41	85.4	5,895	72.1
Upper	7.7	8.4	4	8.3	1,745	21.3
Totals	100.0	100.0	48	100.0	8,179	100.0

*Source: 2015 ACS; 2020 CRA Data; and, 2020 CRA Aggregate Data.
Due to rounding, totals may not equal 100.0 percent.*

Distribution of Home Mortgage Loans by Borrower Income Level Staunton MSA Assessment Area						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low	19.7	7.2	3	12.5	170	5.2
Moderate	18.4	22.1	3	12.5	432	13.3
Middle	22.7	21.2	6	25.0	643	19.8
Upper	39.2	28.7	11	45.8	1,707	52.7
Not Available	0.0	20.8	1	4.2	290	8.9
Totals	100.0	100.0	24	100.0	3,242	100.0

*Source: 2015 ACS; 2020 HMDA Data; and, 2020 HMDA Aggregate Data.
Due to rounding, totals may not equal 100.0 percent.*

Distribution of Small Business Loans by Gross Annual Revenue Category Staunton MSA Assessment Area						
Gross Revenue Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
<=\$1,000,000	85.9	40.1	21	43.8	2,910	35.6
>\$1,000,000	4.1	--	26	54.2	5,264	64.4
Revenue Not Available	10.0	--	1	2.1	5	0.1
Totals	100.0	100.0	48	100.0	8,179	100.0

*Source: 2020 D&B Data; 2020 CRA Data; and, 2020 CRA Aggregate Data.
"--" data not available.
Due to rounding, totals may not equal 100.0 percent.*

Winchester MSA Assessment Area

The Winchester MSA assessment area consists of Frederick County and Winchester City, which comprises the entire Winchester, VA MSA. First-Citizens Bank operates one branch in this assessment area, which accounts for 2.3 percent of state-wide branches. In addition, the assessment area accounts for 1.9 percent of state-wide lending and 1.8 percent of state-wide deposits.

The following activities occurred in the assessment area during the review period.

Activity	#	\$(000s)
Home Mortgage Loans	45	8,528
Small Business Loans	96	17,396
Community Development Loans	--	--
Investments (New)	--	--
Investments (Prior Period)	1	846*
Donations	1	<1
Community Development Services	2	4 hours
<i>Small business and home mortgage lending volumes are based on the combined 2019, 2020, and 2021 lending data, while the community development loans, qualified investments, and community development services are from previous evaluation through December 31, 2021. Qualified investments also include those from prior periods that remain outstanding.</i> <i>* Prior period investments consist of an SBA pool supporting economic development in the assessment area totaling \$845,853.</i>		

Geographic Distribution and Borrower Profile

Geographic Distribution of Home Mortgage Loans Winchester MSA Assessment Area						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Moderate	10.7	6.6	0	0.0	0	0.0
Middle	57.9	61.3	4	36.4	307	14.1
Upper	31.5	32.1	7	63.6	1,862	85.9
Totals	100.0	100.0	11	100.0	2,168	100.0
<i>Source: 2015 ACS; 2020 HMDA Data; and, 2020 HMDA Aggregate Data.</i> <i>Due to rounding, totals may not equal 100.0 percent.</i>						

Geographic Distribution of Small Business Loans Winchester MSA Assessment Area						
Tract Income Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
Moderate	17.5	17.0	3	6.2	160	1.5
Middle	56.2	57.1	35	72.9	8,374	80.9
Upper	26.2	25.9	10	20.8	1,812	17.5
Totals	100.0	100.0	48	100.0	10,346	100.0

Source: 2015 ACS; 2020 CRA Data; and, 2020 CRA Aggregate Data.
Due to rounding, totals may not equal 100.0 percent.

Distribution of Home Mortgage Loans by Borrower Income Level Winchester MSA Assessment Area						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low	19.7	4.9	0	0.0	0	0.0
Moderate	16.3	15.9	3	27.3	478	22.1
Middle	19.5	20.1	0	0.0	0	0.0
Upper	44.5	33.2	7	63.6	1,625	75.0
Not Available	0.0	26.0	1	9.1	65	3.0
Totals	100.0	100.0	11	100.0	2,168	100.0

Source: 2015 ACS; 2020 HMDA Data; and, 2020 HMDA Aggregate Data.
Due to rounding, totals may not equal 100.0 percent.

Distribution of Small Business Loans by Gross Annual Revenue Category Winchester MSA Assessment Area						
Gross Revenue Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
<=\$1,000,000	86.4	36.3	15	31.3	2,607	25.2
>\$1,000,000	3.9	--	25	52.1	5,841	56.5
Revenue Not Available	9.8	--	8	16.7	1,898	18.3
Totals	100.0	100.0	48	100.0	10,346	100.0

Source: 2020 D&B Data; 2020 CRA Data; and, 2020 CRA Aggregate Data.
"--" data not available.
Due to rounding, totals may not equal 100.0 percent.

CALIFORNIA

CRA RATING FOR CALIFORNIA: SATISFACTORY

The Lending Test is rated: High Satisfactory

The Investment Test is rated: High Satisfactory

The Service Test is rated: High Satisfactory

DESCRIPTION OF INSTITUTION'S OPERATIONS IN CALIFORNIA

The evaluation of California's performance considered the operations of First-Citizens Bank in six assessment areas, which are detailed in the Description of Assessment Areas. There have been no changes to the assessment areas since the last evaluation. The bank operates 21 or 4.1 percent of its branch offices in California. California accounts for 5.2 percent of bank-wide loans by dollar volume, 3.9 percent of bank-wide loans by number, and 5.3 percent of the bank-wide deposits. Overall, First-Citizens Bank ranks 52nd in the state in deposit market share at 0.1 percent. Competitor institutions in the assessment area include Bank of America, NA; Wells Fargo, NA; and JPMorgan Chase Bank, NA. Together, the three competitor institutions account for 49.1 percent of the market share.

SCOPE OF EVALUATION – CALIFORNIA

Examiners conducted a full-scope review of performance in the San Diego MSA, Los Angeles MD, and Anaheim MD assessment areas. A significant portion of the loans (73.9 percent), deposits (59.4 percent), and branches (66.6 percent) in California are concentrated in these assessment areas. The overall conclusions, analysis, and ratings for California are predicated primarily on performance within these three assessment areas. Overall, the San Diego MSA assessment area accounts for the highest volume of loans, deposits, and branching operations in California. Therefore, the San Diego MSA assessment area received more weight in the overall conclusions and ratings for California. The Los Angeles MD assessment area also accounts for significant operations in the state and was afforded secondary weight in the assessment of California performance. The Anaheim MD assessment area received lesser weight. Limited-scope areas included the Sacramento MSA, Oakland MD, and Riverside MSA assessment areas. The Sacramento MSA assessment area received lesser weight, followed by the Riverside MSA assessment area. The Oakland MSA assessment area received limited weight.

Small business loans constitute the primary loan type by number and dollar volume in California at 89.8 percent of loans by dollar volume and 96.5 percent of loans by number. Similar levels are noted in each of the assessment areas, with the dollar volume of loans ranging from 84.2 percent to 93.3 percent of loans and the number volume ranging from 94.3 percent to 97.8 percent. Therefore, the conclusions were predicated on small business lending performance. Home mortgage loans were also reviewed in all assessment areas, except the Oakland MD assessment area given only two loans were originated over the three year review period. Additionally, for 2019, home mortgage loans were only analyzed in the Los Angeles MD assessment area as there were limited home mortgage loans originated in the remaining assessment areas. Home mortgage lending performance received minimal weight in the overall analysis, conclusions, and ratings for California. Small farm

loans were not included in the analysis due to the nominal number and dollar volume originated.

CONCLUSIONS ON PERFORMANCE CRITERIA IN CALIFORNIA

LENDING TEST

The Lending Test rating for California is High Satisfactory. Lending levels reflect adequate responsiveness to the California assessment areas' credit needs. The geographic distribution reflects good penetration throughout the assessment areas, and the borrower profile reflects adequate distribution of lending to borrowers of different incomes and businesses of different sizes. The institution uses innovative and/or flexible lending practices and originated a relatively high level of community development loans. The performance in the San Diego MSA and Los Angeles MD assessment areas is consistent with the overall rating for California; however, performance in the Anaheim MD assessment area is lower.

Lending Activity

Lending levels reflect adequate responsiveness to the California assessment areas' credit needs. The tables presented in each assessment area detail the number and dollar volume of home mortgage and small business loans originated in 2020.

Geographic Distribution

The overall geographic distribution of home mortgage and small business loans is good.

The geographic distribution of loans is considered good based upon the bank's small business lending performance and given the small business lending represents the substantial majority of lending in the rated area and each assessment area. The geographic distribution of loans in the San Diego MSA and Los Angeles MD assessment areas is good, with the Anaheim MD assessment area considered adequate.

Borrower Profile

The overall distribution of home mortgage loans to borrowers of different incomes and small business loans to businesses of different sizes is adequate.

The adequate overall performance for the borrower profile is based upon the bank's small business lending performance given the small business lending represents the substantial majority of lending in the rated area and each assessment area. The performance is consistent in each the full-scope assessment area.

Community Development Loans

First-Citizens Bank originated a relatively high level of community development loans in California. During this evaluation period, the bank originated 77 community development loans totaling \$38.9 million. This represents 14.0 percent by number and 4.5 percent by dollar volume of

total bank-wide community development loans and is slightly less than the last evaluation by dollar volume. Performance in the full-scope assessment areas is consistent, except for the Anaheim MD assessment area which is considered adequate. Nineteen loans totaling \$3.6 million were originated outside the assessment areas but within the broader state-wide area. Since the bank has been responsive to community development needs and opportunities within its assessment areas, the loans were included. The analysis for each full-scope assessment area includes a detailed discussion of community development loans. Below are examples of community development loans originated in the broader state-wide area.

- \$42,000 participation line-of-credit to a community organization for a 41-unit affordable housing project, which includes 22 unites for homeless families.
- \$1.8 million SBA 504 loan to purchase property for a business that will help promote economic development and retain jobs.

INVESTMENT TEST

The Investment Test is rated High Satisfactory. First-Citizens Bank has a significant level of qualified investments in California. The bank exhibits good responsiveness to credit and community development needs and occasionally uses innovative and/or complex investments to support community development initiatives. Performance in the full-scope assessment areas is consistent, except for the Los Angeles MD assessment area.

Investment and Grant Activity

The bank has a significant level of qualified investments, donations, and grants of \$116.2 million in California. This represents 17.9 percent of total bank-wide qualified investments. Investments since the prior evaluation include five GNMA MBS supporting affordable housing projects in California totaling \$73.5 million, an investment in an SBA pool supporting economic development in California totaling \$7.1 million, and 63 donations or grants totaling \$63,550. Prior period investments total \$6.2 million for affordable housing projects and \$29.3 million for economic development by supporting small businesses through SBA pools. Please refer to the full-scope assessment areas for examples.

SERVICE TEST

The Service Test rating is High Satisfactory in California. First-Citizens Bank's delivery systems are accessible to essentially all portions of the assessment areas, and the opening and closing of branches has not adversely affected the accessibility of its delivery systems, particularly with respect to low- and moderate-income geographies or individuals. Services and business hours do not vary in a way that inconveniences certain portions of the assessment areas, particularly low- and moderate-income geographies, or individuals. The bank provided a relatively high level of community development services. Performance in each full-scope assessment area is consistent.

Accessibility of Delivery Systems

Delivery systems are accessible to essentially all portions of the California assessment areas. The conclusions regarding the accessibility of delivery systems for the California rated area are

consistent with the institution overall. The bank operates 21 full-service branches in California: 2 in low-, 4 in moderate-, 4 in middle-, 10 in upper-, and 1 in non-designated income tracts. In addition to branch locations, the bank operates 5 of the 14 ATMs in California in low- and moderate-income tracts (2 in low- and 3 in moderate-income tracts). The branch distribution by geography income level is shown in the following table.

California - Branch Distribution by Geography Income Level						
Tract Income Level	Census Tracts		Population		Branches	
	#	%	#	%	#	%
Low	409	8.9	1,828,018	8.5	2	9.5
Moderate	1,246	27.0	5,860,866	27.1	4	19.0
Middle	1,323	28.6	6,333,355	29.3	4	19.0
Upper	1,576	34.1	7,484,567	34.7	10	47.6
NA	66	1.4	96,959	0.4	1	4.8
Total	4,620	100.0	21,603,765	100.0	21	100.0
<i>Source: 2015 ACS Data and Bank Data</i>						
<i>Due to rounding, totals may not add to 100 percent.</i>						

Changes in Branch Locations

To the extent changes have been made, the institution’s opening and closing of branches has not adversely affected the accessibility of delivery systems, particularly in low- and moderate-income geographies and/or to low- and moderate-income individuals. Since the previous evaluation, the bank has opened four branches and closed four branches throughout California. As shown in the table below, the net effect was a net decrease of one branch in low-income tracts, and an increase of one branch in upper-income tracts. With the decrease of one branch in a low-income tract, First-Citizens Bank’s level of branching in low-income tracts continues to exceed the population percentage in those tracts. The bank also operates 2 of the 14 ATMs in California in low-income tracts and 3 ATMs in moderate-income tracts. Details of changes in branch locations are contained within the full-scope assessment areas in which changes occurred.

Net Distribution of Branch Openings/Closings						
Assessment Area	# of Branch Openings	# of Branch Closings	Income Level of Census Tract (+/-)			
			Low	Moderate	Middle	Upper
Anaheim MD	1	1	0	0	0	0
Los Angeles MD	1	1	0	0	0	0
Oakland MD	0	0	0	0	0	0
Riverside MSA	0	0	0	0	0	0
Sacramento MSA	1	1	-1	0	0	+1
San Diego MSA	1	1	0	0	0	0
Total	4	4	-1	0	0	+1
<i>Source: Bank Data</i>						

Community Development Services

First-Citizens Bank provided a relatively high level of community development services in California. Bank employees and Board members provided 62 instances for 804 hours of community development service in California. These services equate to 1.0 instance and 12.8 hours of community development service per branch per year. This performance represented 3.1 percent of the bank-wide community development service by number of hours. The level of community development service is comparable with the percentage of branches within the assessment area at 4.0 percent. Employees are involved in community development organizations that primarily provide economic development and community services for low- and moderate-income individuals and areas. The bank provided 59 community development services at the last evaluation. Refer to each full-scope assessment area for examples.

Community Development Services										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	Hours	#	Hours	#	Hours	#	Hours	#	Hours
Anaheim MD	0	0	4	66	6	61	1	2	11	129
Los-Angeles MD	0	0	8	164	2	4	4	4	14	172
Oakland MD	0	0	0	0	1	2	2	2	3	4
Riverside MSA	0	0	3	40	1	2	1	2	5	44
Sacramento MSA	0	0	4	56	7	13	0	0	11	69
San Diego MSA	2	36	10	291	5	58	1	1	18	386
California Totals	2	36	29	617	22	140	9	11	62	804
<i>Source: Bank Data</i>										

SAN DIEGO MSA ASSESSMENT AREA – Full-Scope Review

DESCRIPTION OF INSTITUTION’S OPERATIONS IN THE SAN DIEGO MSA ASSESSMENT AREA

The San Diego-Chula Vista-Carlsbad MSA includes only San Diego County, which the bank delineated as San Diego MSA assessment area. There have been no changes to the assessment area since the last evaluation. The bank operates seven or 33.3 percent of its California branch offices in the San Diego MSA assessment area. The assessment area represents 34.4 percent of the rated area loans by dollar volume, 35.4 percent of rated area loans by number, and 26.3 percent of rated area deposits.

Economic and Demographic Data

The assessment area consists of 628 census tracts, including 61 low-income tracts, 142 moderate-income tracts, 204 middle-income tracts, and 214 upper-income tracts. Seven tracts have no income designation. The following table presents demographic information from the 2015 ACS Census and 2020 D&B data.

Demographic Information for the San Diego MSA Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	628	9.7	22.6	32.5	34.1	1.1
Population by Geography	3,223,096	8.9	23.6	32.5	34.7	0.3
Housing Units by Geography	1,180,806	7.7	21.7	34.2	36.5	0.0
Owner-Occupied Units by Geography	579,079	2.8	15.1	35.5	46.6	0.0
Occupied Rental Units by Geography	515,078	13.1	28.8	32.8	25.2	0.0
Vacant Units by Geography	86,649	7.6	22.8	33.8	35.8	0.0
Businesses by Geography	302,002	5.5	14.9	34.8	44.6	0.2
Farms by Geography	5,749	4.2	17.6	37.8	40.4	0.0
Family Distribution by Income Level	731,328	23.6	16.9	17.8	41.7	0.0
Household Distribution by Income Level	1,094,157	24.8	15.7	17.1	42.4	0.0
Median Family Income - San Diego-Chula Vista-Carlsbad, CA MSA		\$75,179	Median Housing Value			\$458,248
			Families Below Poverty Level			10.6%
			Median Gross Rent			\$1,404
<i>Source: 2015 ACS and 2020 D&B Data Due to rounding, totals may not equal 100.0 percent. (*) The NA category consists of geographies that have not been assigned an income classification.</i>						

The Geographic Distribution criterion compares home mortgage loans to the distribution of owner-occupied housing units and compares small business loans to the percentage of businesses located

in low-, moderate-, middle-, and upper-income tracts. The 2015 ACS data shows a high percentage of owner-occupied housing units and businesses are within the middle- and upper-income tracts, indicating most of the lending opportunities will be in these geographies. The moderate-income tracts contain a fair level of owner-occupied housing units and businesses, while fewer opportunities are indicated in the low-income tracts.

The FFIEC updated San Diego-Chula Vista-Carlsbad MSA MFIs were used to analyze home mortgage loans under the Borrower Profile criterion. The following table presents each income category.

San Diego MSA – Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
2019 (\$86,300)	<\$43,150	\$43,150 to <\$69,040	\$69,040 to <\$103,560	≥\$103,560
2020 (\$92,700)	<\$46,350	\$46,350 to <\$74,160	\$74,160 to <\$111,240	≥\$111,240
2021 (\$95,100)	<\$47,550	\$47,550 to <\$76,080	\$76,080 to <\$114,120	≥\$114,120
<i>Source: FFIEC</i>				

The analysis of home mortgage lending by borrower income uses families by income level as a comparison to bank performance. The median housing value is over \$458,000, and prices are continuing to rise due to the current economic conditions, which can potentially make housing increasingly unaffordable for low- and moderate-income individuals. Therefore, lending opportunities to low- and moderate-income families may be limited.

The analysis of small business loans under the Borrower Profile criterion compares the distribution of small business lending by gross annual revenue. The D&B 2020 distribution of businesses based on gross annual revenues is listed below.

- 89.1 percent reported \$1 million or less;
- 4.2 percent reported more than \$1 million; and
- 6.7 percent did not report revenues.

In 2020, the top industries were Government; Education and Health Science; and, Leisure and Hospitality Services. Additionally, approximately 91.3 percent of businesses operate with nine or fewer employees. The top employers were Marine Corps Base Camp Pendleton; University of California, San Diego; Naval Base San Diego; Naval Base Coronado; and Sharp Healthcare.

The 2020 unemployment rate increased sharply due to the COVID-19 pandemic. The 2021 unemployment rate dropped sharply; however, the rate remains well above the pre-pandemic levels. Unemployment rates in the assessment area were generally below state averages but above national averages throughout the evaluation period.

Unemployment Rates			
Area	2019	2020	2021
	%	%	%
San Diego County	3.7	9.6	7.0
California	4.1	10.3	7.4
National Average	3.7	8.1	5.2
<i>Source: Bureau of Labor Statistics</i>			

Competition

The assessment area is highly competitive. According to the FDIC Deposit Market Share data as of June 30, 2021, 48 FDIC-insured institutions operate 520 branches within the assessment area. Of these institutions, First-Citizens Bank ranked 22nd with a market share of 0.5 percent. Competitor institutions in the assessment areas include Wells Fargo Bank, NA; JPMorgan Bank, NA; and Bank of America, NA. Together, the three competitor institutions account for 47.2 percent of the market share.

There is a high level of competition for home mortgage loans among banks, credit unions, and non-depository mortgage lenders. Aggregate data for 2020 shows 876 lenders reported 337,719 residential mortgage loans originated or purchased indicating high competition. First-Citizens Bank ranked 325th with a market share of less than 0.1 percent. The five dominant home mortgage lenders accounted for 28.5 percent of total market share by number.

In addition, there is a high level of competition for business loans within the assessment area. Aggregate data for 2020 shows 261 lenders reported 109,119 small business loans originated or purchased in the assessment area. Overall, First-Citizens Bank ranked 18th with a 0.8 percent market share by number of loans and 10th with a 2.6 percent market share by dollar volume. The five dominant small business lenders accounted for 57.1 percent of the total market share by number.

Community Contact

As part of the CRA evaluation process, examiners contact third parties active in the assessment area to assist in identifying the credit and community development needs. This information helps determine whether local financial institutions are responsive to these needs. It also shows what credit and community development opportunities are available. Examiners referenced one recent community contact within the San Diego MSA assessment area.

The community contact provides economic development assistance to support new and existing businesses in San Diego County. The contact indicated that the pandemic has had an effect on individuals and businesses in multiple ways. The most visible is that remote work has become more prevalent in the area, which has resulted in many people moving to neighboring states for a better cost of living. In addition, the recent Federal Reserve interest rate increases have caused a negative shift in banking focus related to lending. Furthermore, the number of small businesses seeking lending has reduced because of changes in lending focus and the increased cost to acquire and maintain a new business loan. The contact stated there is a need for more involvement from

financial institutions. There are opportunities for financial institutions to be involved by joining non-profit organizations as Board members. In addition, there are opportunities for institutions to provide education to small businesses, provide additional funding to small businesses, and explain financial service features in relation to evolving business infrastructure.

Credit and Community Development Needs and Opportunities

Considering information from the community contact and demographic and economic data, examiners determined that small business loans are the primary credit need in the assessment area. Small businesses represent a significant portion of the area, with 89.1 percent of businesses having gross annual revenues of \$1 million or less, and 91.3 percent having nine or fewer employees. In addition, examiners determined there are community development needs, specifically for education on financing options and financial literacy.

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE SAN DIEGO MSA ASSESSMENT AREA

LENDING TEST

Lending levels in the San Diego MSA assessment area reflect good responsiveness to assessment area credit needs. The geographic distribution reflects good penetration throughout the assessment area, and the borrower profile reflects adequate distribution of lending among businesses of different sizes and borrowers of different income levels. The institution uses innovative and/or flexible lending practices and originated a relatively high level of community development loans.

Lending Activity

Lending levels reflect good responsiveness to the assessment area's credit needs. The tables presented below detail the number and dollar volume of 2020 small business and home mortgage loans in this assessment area.

Geographic Distribution

The geographic distribution of loans is good.

Small Business Loans

The geographic distribution of small business loans reflects good penetration throughout the assessment area. Lending in low-income tracts was consistent with demographic and aggregate lending data. In addition, lending in moderate-income tracts was above demographic and aggregate lending data.

Geographic Distribution of Small Business Loans San Diego MSA Assessment Area						
Tract Income Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
Low	5.5	5.2	44	4.9	6,200	3.8
Moderate	14.9	14.1	161	17.9	27,873	17.0
Middle	34.8	34.8	318	35.3	68,222	41.6
Upper	44.6	45.9	378	42.0	61,740	37.6
Not Available	0.2	0.1	0	0.0	0	0.0
Totals	100.0	100.0	901	100.0	164,035	100.0
<i>Source: 2015 ACS; 2020 CRA Data; and, 2020 CRA Aggregate Data. Due to rounding, totals may not equal 100.0 percent.</i>						

Home Mortgage Loans

The geographic distribution of home mortgage loans is adequate. Lending in low-income tracts was well above demographic and aggregate lending data. Performance in moderate-income tracts was well below demographic and aggregate lending data. However, in 2021, the bank's performance in moderate-income tracts was above demographic lending data.

Geographic Distribution of Home Mortgage Loans San Diego MSA Assessment Area						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low	2.8	2.4	1	6.3	75	0.5
Moderate	15.1	13.1	1	6.3	326	2.2
Middle	35.5	34.0	2	12.5	1,656	11.4
Upper	46.6	50.4	12	75.0	12,513	85.9
Totals	100.0	100.0	16	100.0	14,570	100.0
<i>Source: 2015 ACS; 2020 HMDA Data; and, 2020 HMDA Aggregate Data. Due to rounding, totals may not equal 100.0 percent.</i>						

Borrower Profile

The distribution of small business loans to businesses of different sizes and home mortgage loans to borrowers of different incomes is adequate and is predicated on the small business lending performance given the limited home mortgage lending within the assessment area.

Small Business Loans

Lending to businesses with gross annual revenues of \$1 million or less is adequate. In 2020, lending performance was significantly lower than both demographic and aggregate data. However, as reflected in the table below, the level of loans without revenue available is significant at 36.2 percent and impacts the overall analysis of loans to small businesses. As a result, an analysis of those loans without revenue available by size of the loan was conducted. The analysis determined

that 194 or 59.5 percent of loans without revenue had origination amounts of \$100,000 or less, indicating assistance to small businesses. Additionally, in 2021, the level of lending to small businesses increased to 44.2 percent.

Distribution of Small Business Loans by Gross Annual Revenue Category San Diego MSA Assessment Area						
Gross Revenue Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
<=\$1,000,000	89.1	41.1	243	27.0	39,526	24.1
>\$1,000,000	4.2	--	332	36.8	76,617	46.7
Revenue Not Available	6.7	--	326	36.2	47,892	29.2
Totals	100.0	100.0	901	100.0	164,035	100.0
Source: 2020 D&B Data; 2020 CRA Data; and, 2020 CRA Aggregate Data. "--" data not available.						

Home Mortgage Loans

The distribution of home mortgage loans reflects poor penetration among borrowers of different incomes. The bank did not originate any loans to low- or moderate-income borrowers. However, the low percent of aggregate lending data indicates limited opportunities may exist. Additionally, given the high home value compared to the income levels, low- and moderate-income families would have difficulty qualifying for a home mortgage loan.

Distribution of Home Mortgage Loans by Borrower Income San Diego MSA Assessment Area						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low	23.6	2.2	0	0.0	0	0.0
Moderate	16.9	8.5	0	0.0	0	0.0
Middle	17.8	19.0	0	0.0	0	0.0
Upper	41.7	49.7	16	100.0	14,570	100.0
Not Available	0.0	20.5	0	0.0	0	0.0
Totals	100.0	100.0	16	100.0	14,570	100.0
Source: 2015 ACS; 2020 HMDA Data; and, 2020 HMDA Aggregate Data. Due to rounding, totals may not equal 100.0 percent.						

Community Development Loans

First-Citizens Bank made a relatively high level of community development loans in the San Diego MSA assessment area. The bank originated 21 community development loans, which is considered a relatively level, totaling \$10.0 million. This amount represents 27.3 percent by number and 25.7 percent by dollar volume of community development loans originated in California. Regarding the community development purpose, 4 loans support affordable housing, 14 loans support community services, 1 loan supports economic development, and 2 loans support revitalization or stabilization.

Examples of community development loans follow.

- \$4.1 million loan to purchase and make tenant improvements to a property in a moderate-income census tract;
- three \$150,000 lines of credit to a non-profit in a low-income census tract that targets low- and moderate-income individuals to provide essential community services.

INVESTMENT TEST

First-Citizens Bank has a significant level of qualified investments in the assessment area. The bank exhibits good responsiveness to credit and community development needs and occasionally uses innovative and/or complex investments to support community development initiatives.

Investment and Grant Activity

The bank has a significant level of qualified investments in the San Diego MSA assessment area. Qualified investments total \$11.8 million or 10.1 percent of California qualified investments. Investments include a nationwide based GNMA MBS, of which \$8.3 million supported an affordable housing project in the assessment area. One prior period investment in an equity investment fund totaling \$1.0 million also supported affordable housing projects in this assessment area. Additionally, four prior period investments in SBA pools totaling \$2.5 million supported economic development in the assessment area. In addition, the bank made 21 donations or grants totaling \$16,750. Of these contributions, \$14,750 benefited community services, and \$2,000 benefited economic development. Provided below are examples of donations that benefited the assessment area.

- \$6,000 to an organization that provides community services to low- and moderate-income individuals.
- \$2,000 to organizations that provide economic development opportunities to small businesses.

SERVICE TEST

First-Citizens Bank's delivery systems are reasonably accessible to essentially all portions of the San Diego MSA assessment area. The institution's opening and closing of branches has not adversely affected the accessibility of its delivery systems. Services and business hours do not vary in a way that inconveniences certain portions of the assessment area, particularly low- and moderate-income geographies, or individuals. The bank provided a relatively high level of community development services.

Accessibility of Delivery Systems

Delivery systems are reasonably accessible to essentially all portions of the assessment area. The conclusions regarding the accessibility of delivery systems for the assessment area are less favorable than the institution overall and the California rated area. The bank operates seven branches in the assessment area, representing 33.3 percent of branches in California. In comparison

to the percentage of the population, branches in low-income tracts is substantially above the geographies' population. Additionally, the bank operates two of its six ATMs low-income tracts. The bank does not have any branches in moderate-income tracts, which contain 23.6 percent of the population. However, the locations of the bank's branches enable the bank to reasonably serve low- and moderate-income tracts where the bank has no branches.

Branch Distribution by Geography Income Level San Diego MSA Assessment Area						
Tract Income Level	Census Tracts		Population		Branches	
	#	%	#	%	#	%
Low	61	9.7	286,489	8.9	2	28.6
Moderate	142	22.6	759,461	23.6	0	0.0
Middle	204	32.5	1,048,380	32.5	1	14.3
Upper	214	34.1	1,117,997	34.7	4	57.1
NA	7	1.1	10,769	0.3	0	0.0
Total	628	100.0	3,223,096	100.0	7	100.0
<i>Source: 2015 ACS Data and Bank Data</i>						

Changes in Branch Locations

To the extent changes have been made, the institution's opening and closing of branches has not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and/or to low- and moderate-income individuals. Since the previous evaluation, the bank opened one branch and closed one branch, both located in an upper-income tract and less than a mile apart.

Community Development Services

First-Citizens Bank provides a relatively high level of community development services in the assessment area. Bank employees and Board members provided 18 instances for 386 hours of community development service. These services equate to 0.9 instance and 18.4 hours of community development service per branch per year. This performance accounts for 1.5 percent of the bank-wide community development services and 48.0 percent of state-wide community development services by number of hours. The level of community development services is consistent with the percentage of branches within the assessment area at 1.3 percent bank-wide and higher than the percentage of branches at 26.3 percent state-wide. The bank engaged in 27 instances of community development service at the previous evaluation. The following are examples of community development services provided.

- An employee serves on the Board of an education foundation that helps provide resources to a local school district in a low-income area.
- An employee serves on the Board of a business association that supports small business entrepreneurs and start-up businesses with financial education, technical assistance and access to capital.
- An employee serves on the Board and Finance Committee of a local housing organization that helps people who are experiencing, or at risk of, becoming homeless.

LOS ANGELES MD ASSESSMENT AREA – Full-Scope Review

DESCRIPTION OF INSTITUTION’S OPERATIONS IN THE LOS ANGELES MD ASSESSMENT AREA

The Los Angeles-Long Beach-Glendale, CA MD includes only Los Angeles County, which the bank delineated as the Long Beach MD assessment area. There have been no changes to the assessment area since the last evaluation. The bank operates four or 19.0 percent of its California branch offices in the Los Angeles MD assessment area. The assessment area represents 24.1 percent of the state-wide loans by dollar volume, 24.4 percent of state-wide loans by number, and 17.2 percent of state-wide deposits.

Economic and Demographic Data

The assessment area consists of 2,346 census tracts, including 221 low-income tracts, 674 moderate-income tracts, 583 middle-income tracts, and 817 upper-income tracts. Fifty-one tracts have no income designation. The following table presents demographic information from the 2015 ACS Census and 2020 D&B data.

Demographic Information of the Los Angeles MD Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	2,346	9.4	28.7	24.9	34.8	2.2
Population by Geography	10,038,388	8.6	29.3	26.3	35.1	0.8
Housing Units by Geography	3,476,718	7.8	26.3	24.8	40.6	0.5
Owner-Occupied Units by Geography	1,499,879	2.4	17.2	26.6	53.7	0.1
Occupied Rental Units by Geography	1,763,190	12.2	34.2	23.6	29.2	0.9
Vacant Units by Geography	213,649	8.7	25.4	22.8	42.2	1.0
Businesses by Geography	941,441	4.6	18.9	21.2	52.8	2.4
Farms by Geography	8,629	2.7	17.6	24.9	53.6	1.1
Family Distribution by Income Level	2,186,485	24.5	16.3	16.7	42.4	0.0
Household Distribution by Income Level	3,263,069	25.9	15.4	15.8	43.0	0.0
Median Family Income -Los Angeles-Long Beach-Glendale, CA	\$62,703	Median Housing Value				\$495,540
		Median Gross Rent				\$1,292
		Families Below Poverty Level				14.3%

*Source: 2015 ACS and 2020 D&B Data
Due to rounding, totals may not equal 100.0 percent.
(*) The NA category consists of geographies that have not been assigned an income classification.*

The Geographic Distribution criterion compares home mortgage loans to the distribution of owner-occupied housing units and compares small business loans to the percentage of businesses located

in low-, moderate-, middle-, and upper-income tracts. The 2015 ACS data shows a majority of owner-occupied housing units and businesses are within the upper-income tracts, indicating most of the lending opportunities will be in these geographies. The middle- and moderate-income tracts contain a good level of owner-occupied housing units and businesses, while significantly fewer opportunities are indicated in the low-income tracts.

The FFIEC updated Los Angeles-Long Beach-Glendale, CA MD MFIs were used to analyze home mortgage loans under the Borrower Profile criterion. The following table presents each income category.

Los Angeles MD – Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
2019 (\$73,100)	<\$36,550	\$36,550 to <\$58,480	\$58,480 to <\$87,720	≥\$87,720
2020 (\$77,300)	<\$38,650	\$38,650 to <\$61,840	\$61,840 to <\$92,760	≥\$92,760
2021 (\$80,000)	<\$40,000	\$40,000 to <\$64,000	\$64,000 to <\$96,000	≥\$96,000
<i>Source: FFIEC</i>				

The analysis of home mortgage lending by borrower income uses families by income level as a comparison to bank performance. The median housing value is over \$495,000, and prices are continuing to rise due to the current economic conditions, which can potentially make housing increasingly unaffordable for low- and moderate-income individuals. Therefore, lending opportunities to low- and moderate-income families may be limited.

The analysis of small business loans under the Borrower Profile criterion compares the distribution of small business lending by gross annual revenue. The D&B 2020 distribution of businesses based on gross annual revenues is listed below.

- 89.7 percent reported \$1 million or less;
- 4.4 percent reported more than \$1 million; and
- 5.9 percent did not report revenues.

In 2020, the top industries were Education and Health Services; Professional and Business Services; and, Government. Additionally, approximately 91.5 percent of businesses operate with nine or fewer employees. The top employers were Cedars-Sinai Medical Center; Los Angeles Intl Airport-LAX; University of California Los Angeles; VXI Global Solutions; and The Walt Disney Co.

The 2020 unemployment rates increased sharply due to the COVID-19 pandemic. The unemployment rate dropped in 2021, although it remains well above the pre-pandemic levels. The unemployment rate in the assessment area was generally comparable to state and national average unemployment rates in 2019; however, in 2020 and 2021, the assessment area's rates were well above the state and national average rates.

Unemployment Rates			
Area	2019	2020	2021
	%	%	%
Los Angeles County	4.4	12.4	9.0
California	4.1	10.3	7.4
National Average	3.7	8.1	5.2
<i>Source: Bureau of Labor Statistics</i>			

Competition

The assessment area is highly competitive. According to the FDIC Deposit Market Share data as of June 30, 2021, 116 FDIC-insured institutions operate 2,225 branches within the assessment area. Of these institutions, First-Citizens Bank ranked 47th with a market share of 0.1 percent. Competitor institutions in the assessment area include Bank of America, NA; JPMorgan Chase Bank, NA; and Wells Fargo Bank, NA. Together, the three competitor institutions account for 45.8 percent of the market share.

There is a high level of competition for home mortgage loans among banks, credit unions, and non-depository mortgage lenders. Aggregate data for 2020 shows 945 lenders reported 681,107 residential mortgage loans originated or purchased. First-Citizens Bank ranked 486th with a market share of less than 0.1 percent. The five dominant home mortgage lenders accounted for 26.3 percent of total market share by number.

In addition, there is a high level of competition for business loans within the assessment area. Aggregate data for 2020 shows 343 lenders reported 387,898 small business loans originated or purchased in the assessment area. Overall, First-Citizens Bank ranked 52nd with 0.1 percent market share by number of loans and 35th with a 0.4 percent market share by dollar volume. The five dominant small business lenders accounted for 61.6 percent of the total market share by number.

Community Contacts

As part of the CRA evaluation process, examiners contact third parties active in the assessment area to assist in identifying the credit and community development needs. This information helps determine whether local financial institutions are responsive to these needs. It also shows what credit and community development opportunities are available. Examiners referenced two recent community contacts within the Los Angeles MD assessment area.

The first contact was conducted with a nonprofit counseling agency that provides foreclosure prevention, first-time homebuyer, and credit counseling services. The contact noted there is very limited housing stock in the Los Angeles area. In addition, the contact stated there is a disparity for non-English speaking individuals to move up from low-wage jobs. Lastly, the contact stated there is a strong need for credit counseling, small dollar consumer loans, and affordable housing loans.

The second contact was a small business development corporation that provides one-on-one business consulting as well as training and workshops to strengthen business knowledge. The contact stated that there are many job opportunities, especially for the skilled labor force; however,

the challenge is a lack of affordable housing for low-, moderate-, and middle-income people. The contact stated there continues to be a need for small business loans, especially for micro-businesses and start-ups.

Credit and Community Development Needs and Opportunities

Considering information from the community contacts and demographic and economic data, examiners determined that affordable housing and small business funding represents primary credit needs. The need for affordable housing is supported, in large part, by information obtained from the community contacts who indicated that Los Angeles County has a low housing affordability index, increased home prices, and limited inventory. In addition, the need for small business loans is supported by the information obtained from the community contacts and the significant percentage of businesses with revenues of \$1.0 million (89.7 percent) or less and those with four or fewer employees (91.5 percent). There is also a need for credit counseling for individuals and small businesses.

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE LOS ANGELES MD ASSESSMENT AREA

LENDING TEST

Lending levels in the Los Angeles MD assessment area reflect adequate responsiveness to assessment area credit needs. The geographic distribution reflects good penetration throughout the assessment area, and the borrower profile reflects adequate distribution of lending among businesses of different sizes and borrowers of different income levels. The institution uses innovative and/or flexible lending practices and originated a relatively high level of community development loans.

Lending Activity

Lending levels reflect adequate responsiveness to the assessment area's credit needs. The tables presented below detail the number and dollar volume of 2020 small business and home mortgage loans in this assessment area.

Geographic Distribution

The overall geographic distribution of loans is good as little weight is given to the home mortgage lending performance given the limited volume of home mortgage loans originated.

Small Business Loans

The geographic distribution of small business loans reflects good penetration throughout the assessment area. Lending in low-income tracts was consistent with demographic and aggregate lending data. Lending in moderate-income tracts was above demographic and aggregate lending data.

Geographic Distribution of Small Business Loans Los Angeles MD Assessment Area						
Tract Income Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
Low	4.6	4.8	28	4.7	5,681	5.5
Moderate	18.9	19.2	138	23.4	28,454	27.4
Middle	21.2	21.4	103	17.4	17,011	16.4
Upper	52.8	52.7	318	53.8	52,068	50.2
Not Available	2.4	2.0	4	0.7	541	0.5
Totals	100.0	100.0	591	100.0	103,755	100.0
<i>Source: 2015 ACS; 2020 CRA Data; and, 2020 CRA Aggregate Data. Due to rounding, totals may not equal 100.0 percent.</i>						

Home Mortgage Loans

The geographic distribution of home mortgage loans is poor. The bank did not originate any home mortgage loans in low-income tracts; however, the low percent of demographic and aggregate lending data indicates limited opportunities exist. In addition, the bank did not originate any home mortgage loans in moderate-income tracts, while aggregate data lending stood at 14.9 percent.

Geographic Distribution of Home Mortgage Loans Los Angeles MD Assessment Area						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low	2.4	2.2	0	0.0	0	0.0
Moderate	17.2	14.9	0	0.0	0	0.0
Middle	26.6	25.3	3	20.0	1,302	10.1
Upper	53.7	57.5	12	80.0	11,527	89.9
Not Available	0.1	0.1	0	0.0	0	0.0
Totals	100.0	100.0	15	100.0	12,829	100.0
<i>Source: 2015 ACS; 2020 HMDA Data; and, 2020 HMDA Aggregate Data.</i>						

Borrower Profile

The distribution of small business to businesses of different sizes and home mortgage loans to borrowers of different incomes is adequate and is predicated on the small business lending performance given the limited home mortgage lending within the assessment area.

Small Business Loans

The distribution of small business loans reflects adequate penetration to businesses with gross annual revenues of \$1 million or less. In 2020, lending performance was significantly lower than demographic data and was less than aggregate data but within a reasonable range. Performance increased to 41.3 percent in 2021.

Distribution of Small Business Loans by Gross Annual Revenue Category Los Angeles MD Assessment Area						
Gross Revenue Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
<=\$1,000,000	89.7	41.7	185	31.3	29,801	28.7
>\$1,000,000	4.4	--	270	45.7	57,132	55.1
Revenue Not Available	6.0	--	136	23.0	16,822	16.2
Totals	100.0	100.0	591	100.0	103,755	100.0

Source: 2020 D&B Data; 2020 CRA Data; and, 2020 CRA Aggregate Data.
 "--" data not available.
 Due to rounding, totals may not equal 100.0 percent.

Home Mortgage Loans

The distribution of home mortgage loans reflects poor penetration among borrowers of different incomes. The bank did not originate any home mortgage loans to low- and moderate-income borrowers. However, the percent of families below the poverty level and the low percent of aggregate lending data indicates limited opportunities exist to low- and moderate-income borrowers. Additionally, the community contact stated that there is limited housing stock and lack of affordable housing for low- and moderate-income individuals.

Distribution of Home Mortgage Loans by Borrower Income Los Angeles MD Assessment Area						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low	24.5	2.1	0	0.0	0	0.0
Moderate	16.3	5.8	0	0.0	0	0.0
Middle	16.7	15.3	0	0.0	0	0.0
Upper	42.4	60.3	15	100.0	12,829	100.0
Not Available	0.0	16.5	0	0.0	0	0.0
Totals	100.0	100.0	15	100.0	12,829	100.0

Source: 2015 ACS; 2020 HMDA Data; and, 2020 HMDA Aggregate Data.
 Due to rounding, totals may not equal 100.0 percent.

Community Development Loans

First-Citizens Bank made a relatively high level of community development loans in the Los Angeles MD assessment area. The bank originated 11 community development loans, which is considered a good level, totaling \$8.9 million. This amount represents 14.3 percent by number and 23.0 percent by dollar volume of community development loans originated in California. Regarding the community development purpose, 6 loans support affordable housing, 3 loans support economic development, and 2 loans support revitalization or stabilization. Examples of community development loans follow.

- \$2.9 million loan to purchase an industrial building in a low-income census tract and provide

- job creation.
- Three loans for \$2.0 million, \$1.9 million, and \$1.8 to provide financing for the purchase of properties for small businesses and help retain jobs for low- and moderate-income individuals.

INVESTMENT TEST

First-Citizens Bank has an excellent level of qualified investments in the assessment area. The bank exhibits good responsiveness to credit and community development needs and occasionally uses innovative and/or complex investments to support community development initiatives.

Investment and Grant Activity

The bank has an excellent level of qualified investments in the Los Angeles MD assessment area. Qualified investments total \$79.0 million or 68.0 percent of California qualified investments. Investments include two nationwide based GNMA MBS, of which \$57.5 million supported affordable housing projects in the assessment area. Investments also include an SBA pool totaling \$739,828 supporting economic development. Prior period investments consisted of an investment fund, of which \$2.3 million supported affordable housing projects and SBA pools totaling \$18.4 million supporting economic development. The bank also made 12 donations or grants totaling \$20,700. Of these contributions, \$17,950 benefited community services, and \$2,750 benefited economic development. Provided below are examples of donations that benefited the assessment area.

- \$6,000 to an organization that provides community services to low- and moderate-income individuals.
- \$2,450 to an organization that provides economic development opportunities to businesses in the assessment area.

SERVICE TEST

First-Citizens Bank's delivery systems are accessible to essentially all portions of the Los Angeles MD assessment area. The institution's opening and closing of branches has not adversely affected the accessibility of its delivery systems. Services and business hours do not vary in a way that inconveniences certain portions of the assessment area, particularly low- and moderate-income geographies, or individuals. The bank provided a relatively high level of community development services.

Accessibility of Delivery Systems

Delivery systems are accessible to essentially all portions of the assessment area. The conclusions regarding the accessibility of delivery systems for the assessment area are consistent with the institution overall and the California rated area. The bank operates no branches in low-income tracts, with a population of only 8.6 percent of the assessment area. The level of branching in moderate-income tracts is just below the percentage of the population in those tracts. The bank also operates one of four ATMs in the assessment area in a moderate-income tract.

Branch Distribution by Geography Income Level Los Angeles MD Assessment Area						
Tract Income Level	Census Tracts		Population		Branches	
	#	%	#	%	#	%
Low	221	9.4	862,764	8.5	0	0.0
Moderate	674	28.7	2,943,711	29.3	1	25.0
Middle	583	24.9	2,635,840	26.3	0	0.0
Upper	817	34.8	3,519,863	35.1	2	50.0
NA	51	2.2	76,210	0.8	1	25.0
Total	2,346	100.0	10,038,388	100.0	4	100.0
<i>Source: 2015 ACS Data and Bank Data</i>						

Changes in Branch Locations

To the extent changes have been made, the institution’s opening and closing of branches has not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and/or to low- and moderate-income individuals. Since the previous evaluation, the bank opened and subsequently closed the same branch located in an upper-income tract.

Community Development Services

First-Citizens Bank provides a relatively high level of community development services in the assessment area. Bank employees and Board members provided 14 instances for 172 hours of community development service. These services equate to 1.2 instance and 14.3 hours of community development service per branch per year. This performance accounts for 0.7 percent of the bank-wide community development services and 21.4 percent of state-wide community development service by number of hours. The level of community development services is consistent with the percentage of branches within the assessment area at 0.7 percent bank-wide and 19.0 percent state-wide. The bank engaged in 9 instances of community development service at the previous evaluation. The following are examples of community development services provided.

- An employee is on the Board of Directors and serves as Treasurer for a local non-profit organization that offers behavioral health services to indigent clients.
- An employee serves as Chairperson of the Fundraising Committee of an organization that provides housing services and food to low- and moderate-income women and children.
- Employees provided multiple instances of financial education to small businesses and low- and moderate-income individuals.

ANAHEIM MD ASSESSMENT AREA – Full-Scope Review

DESCRIPTION OF INSTITUTION’S OPERATIONS IN THE ANAHEIM MD ASSESSMENT AREA

The Anaheim-Santa Ana-Irvine, CA MD includes only Orange County, which the bank delineated as the Anaheim MD assessment area. There have been no changes to the assessment area since the last evaluation. The bank operates three or 14.3 percent of its California branch offices in the Anaheim MD assessment area. The assessment area represents 15.4 percent of the bank-wide loans by dollar volume, 13.7 percent of bank-wide loans by number, and 15.9 percent of bank-wide deposits.

Economic and Demographic Data

The assessment area consists of 583 tracts, including 45 low-income tracts, 147 moderate-income tracts, 177 middle-income tracts, and 211 upper-income tracts. Three tracts have no income designation. The following table presents demographic information from the 2015 ACS Census and 2020 D&B data.

Demographic Information of the Anaheim MD Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	583	7.7	25.2	30.4	36.2	0.5
Population by Geography	3,116,069	8.6	27.7	29.0	34.8	0.0
Housing Units by Geography	1,064,642	6.6	24.1	30.6	38.7	0.0
Owner-Occupied Units by Geography	582,151	3.3	18.6	29.9	48.2	0.0
Occupied Rental Units by Geography	427,202	11.2	32.0	31.4	25.4	0.0
Vacant Units by Geography	55,289	5.4	21.6	30.8	42.1	0.1
Businesses by Geography	329,042	5.4	19.5	35.2	39.3	0.7
Farms by Geography	3,938	5.8	21.4	32.6	40.0	0.2
Family Distribution by Income Level	727,053	23.8	16.3	17.9	42.0	0.0
Household Distribution by Income Level	1,009,353	24.8	15.8	17.1	42.2	0.0
Median Family Income - Anaheim-Santa Ana-Irvine, CA	\$86,003	Median Housing Value				\$581,139
			Median Gross Rent			\$1,602
			Families Below Poverty Level			9.1%
<i>Source: 2015 ACS and 2020 D&B Data</i> <i>Due to rounding, totals may not equal 100.0 percent.</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

The Geographic Distribution criterion compares home mortgage loans to the distribution of owner-occupied housing units and compares small business loans to the percentage of businesses located

in low-, moderate-, middle-, and upper-income tracts. The 2015 ACS data shows a significant majority of owner-occupied housing units and businesses are within the middle- and upper-income tracts, indicating most of the lending opportunities will be in these geographies. The moderate-income tracts contain a fair level of owner-occupied housing units and businesses, while significantly fewer opportunities are indicated in the low-income tracts.

The FFIEC updated Anaheim-Santa Ana-Irvine, CA MD MFIs were used to analyze home mortgage loans under the Borrower Profile criterion. The following table presents each income category.

Anaheim MD – Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
2019 (\$97,900)	<\$48,950	\$48,950 to <\$78,320	\$78,320 to <\$117,480	≥\$117,480
2020 (\$103,000)	<\$51,500	\$51,500 to <\$82,400	\$82,400 to <\$123,600	≥\$123,600
2021 (\$106,700)	<\$53,350	\$53,350 to <\$85,360	\$85,360 to <\$128,040	≥\$128,040
<i>Source: FFIEC</i>				

The analysis of home mortgage lending by borrower income uses families by income level as a comparison to bank performance. The median housing value is over \$581,000, and prices are continuing to rise due to the current economic conditions, which can potentially make housing unaffordable for low-income and moderate-income individuals. Therefore, lending opportunities to low- and moderate-income families may be limited.

The analysis of small business loans under the Borrower Profile criterion compares the distribution of small business lending by gross annual revenue. The D&B 2020 distribution of businesses based on gross annual revenues is listed below.

- 88.3 percent reported \$1 million or less;
- 5.2 percent reported more than \$1 million; and
- 6.5 percent did not report revenues.

In 2020, the top industries were Professional and Business Services; Education and Health Services; and, Leisure and Hospitality Services. Additionally, approximately 90.7 percent of businesses operate with nine or fewer employees. The top employers were Disney Resorts; University of California Irvine; St. Joseph Health; Kaiser Permanente; and Target Brands Inc.

The 2020 unemployment rate increased sharply due to the COVID-19 pandemic. The unemployment rate dropped in 2021, although it remains well above the pre-pandemic levels. Overall, assessment area unemployment rates were generally lower than state averages but higher than national averages over the evaluation period.

Unemployment Rates			
Area	2019	2020	2021
	%	%	%
Orange County	2.8	9.1	6.0
California	4.1	10.3	7.4
National Average	3.7	8.1	5.2
<i>Source: Bureau of Labor Statistics</i>			

Competition

The assessment area is moderately competitive. According to the FDIC Deposit Market Share data as of June 30, 2021, 75 FDIC-insured institutions operate 591 branches within the assessment area. Of these institutions, First-Citizens Bank ranked 37th with a market share of 0.2 percent. Competitor institutions in the assessment area include Bank of America, NA; Wells Fargo Bank, NA; and JPMorgan Chase Bank, NA. Together, the three competitor institutions account for approximately 50.0 percent of the market share.

There is a high level of competition for home mortgage loans among banks, credit unions, and non-depository mortgage lenders. Aggregate data for 2020 shows 830 lenders reported 313,882 residential mortgage loans originated or purchased. First-Citizens Bank ranked 384th with a market share of less than 0.1 percent. The five dominant home mortgage lenders accounted for 29.8 percent of total market share by number.

In addition, there is a high level of competition for business loans within the assessment area. Aggregate data for 2020 shows 291 lenders reported 139,664 small business loans originated or purchased in the assessment area. Overall, First-Citizens Bank ranked 40th with 0.2 percent market share by number of loans and 26th with a 0.8 percent market share by dollar volume. The five dominant small business lenders accounted for 62.7 percent of the total market share by number.

Community Contact

As part of the CRA evaluation process, examiners contact third parties active in the assessment area to assist in identifying the credit and community development needs. This information helps determine whether local financial institutions are responsive to these needs. It also shows what credit and community development opportunities are available. Examiners referenced one recent community contact within the Anaheim MD assessment area.

The community contact was a small business development organization that provides SBA 504 loans and access to working capital for clients not typically eligible for bank financing. The contact indicated that small business loans remain a primary credit need for both existing and new businesses during the COVID-19 pandemic. The contact stated that financing requests for restaurants, start-up businesses, on-line retail, and healthcare services have increased. The contact indicated that opportunities exist for financial institutions to provide start-up loans, micro-loans, and other short-term small business credit assistance within the assessment area. In addition to new lending, the contact also identified relief for current loans and flexible payments as significant needs.

Credit and Community Development Needs and Opportunities

Considering information from the community contacts and demographic and economic data, examiners determined that affordable home and small business loans, especially micro-loans, represent the primary credit needs. This is supported by the information obtained from the community contact, small businesses representing a significant portion of the area, 88.3 percent of businesses having gross annual revenues of \$1 million or less, and 90.7 percent having nine or fewer employees.

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE ANAHEIM MD ASSESSMENT AREA

LENDING TEST

Lending levels in the Anaheim MD assessment area reflect adequate responsiveness to assessment area credit needs. The geographic distribution reflects adequate penetration throughout the assessment area, and the borrower profile reflects adequate distribution of lending among businesses of different sizes and borrowers of different income level. The institution uses innovative and/or flexible lending practices and originated a relatively high level of community development loans.

Lending Activity

Lending levels reflect adequate responsiveness to the assessment area's credit needs. The tables presented below detail the number and dollar volume of 2020 small business and home mortgage loans in this assessment area.

Geographic Distribution

The geographic distribution of loans is adequate as little weight is given to the home mortgage lending performance given the limited volume of home mortgage loans originated.

Small Business Loans

The geographic distribution of small business loans reflects adequate penetration throughout the assessment area. Lending in low-income tracts was consistent with demographic data and slightly below aggregate lending data. However, in 2021, lending in low-income tracts was significantly above demographic data. Lending in moderate-income tracts was below demographic and aggregate lending data.

Geographic Distribution of Small Business Loans Anaheim MD Assessment Area						
Tract Income Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
Low	5.4	6.3	17	5.1	3,369	4.9
Moderate	19.5	19.8	47	14.1	10,232	14.9
Middle	35.2	35.7	149	44.7	35,561	51.9
Upper	39.3	37.2	116	34.8	17,936	26.2
Not Available	0.7	0.9	4	1.2	1,461	2.1
Totals	100.0	100.0	333	100.0	68,559	100.0
<i>Source: 2015 ACS; 2020 CRA Data; and, 2020 CRA Aggregate Data. Due to rounding, totals may not equal 100.0 percent.</i>						

Home Mortgage Loans

The geographic distribution of home mortgage loans is poor. The bank did not originate any home mortgage loans in low-income tracts; however, the low percent of demographic and aggregate lending data indicates limited opportunities may exist. In addition, the bank did not originate any home mortgage loans in moderate-income tracts.

Geographic Distribution of Home Mortgage Loans Anaheim MD Assessment Area						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low	3.3	2.3	0	0.0	0	0.0
Moderate	18.6	14.6	0	0.0	0	0.0
Middle	29.9	30.2	1	7.1	150	1.3
Upper	48.2	51.9	13	92.9	11,825	98.7
Totals	100.0	100.0	14	100.0	11,975	100.0
<i>Source: 2015 ACS; 2020 HMDA Data; and, 2020 HMDA Aggregate Data.</i>						

Borrower Profile

The distribution of small business to businesses of different sizes and home mortgage loans to borrowers of different incomes is adequate and is predicated on the small business lending performance given the limited home mortgage lending within the assessment area.

Small Business Loans

The distribution of small business loans reflects adequate penetration to businesses with gross annual revenues of \$1 million or less. In 2020, lending to small businesses was significantly lower than both demographic and aggregate data. However, as reflected in the table below, a significant percentage of loans did not have revenue reported. The level of loans without revenue available impacts the overall analysis of loans to small businesses. As a result, an analysis of loans without revenue available by size of the loan was conducted. The analysis determined that 59 or 66.3

percent of loans without revenue had origination amounts of \$100,000 or less, indicating assistance to small businesses. The bank's performance increased to 37.8 percent in 2021.

Distribution of Small Business Loans by Gross Annual Revenue Category Anaheim MD Assessment Area						
Gross Revenue Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
<=\$1,000,000	88.3	41.7	94	28.2	18,658	27.2
>\$1,000,000	5.2	--	150	45.0	37,111	54.1
Revenue Not Available	6.5	--	89	26.7	12,790	18.7
Totals	100.0	100.0	333	100.0	68,559	100.0
<i>Source: 2020 D&B Data; 2020 CRA Data; and, 2020 CRA Aggregate Data. "--" data not available. Due to rounding, totals may not equal 100.0 percent.</i>						

Home Mortgage Loans

The distribution of home mortgage loans reflects poor penetration among borrowers of different incomes. The bank did not originate any home mortgage loans to low-income or moderate-income borrowers. However, the percent of families below the poverty level and the low percent of aggregate lending data indicates limited opportunities may exist for low-income borrowers. Given the high median home value compared to the income levels, low- and moderate-income families would likely not be able to afford a home in the assessment area.

Distribution of Home Mortgage Loans by Borrower Income Anaheim MD Assessment Area						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low	23.8	3.3	0	0.0	0	0.0
Moderate	16.3	10.1	0	0.0	0	0.0
Middle	17.9	21.2	0	0.0	0	0.0
Upper	42.0	51.9	14	100.0	11,975	100.0
Not Available	0.0	13.6	0	0.0	0	0.0
Totals	100.0	100.0	14	100.0	11,975	100.0
<i>Source: 2015 ACS; 2020 HMDA Data; and, 2020 HMDA Aggregate Data. Due to rounding, totals may not equal 100.0 percent.</i>						

Community Development Loans

First-Citizens Bank has made a relatively high level of community development loans in the Anaheim MD assessment area. The bank originated seven community development loans totaling \$7.8 million. This amount represents 9.1 percent by number and 20.0 percent by dollar volume of community development loans originated within California. The number of loans increased but the dollar volume of loans decreased when compared with the performance at the last evaluation. Regarding the community development purpose, one loan supports affordable housing, five loans

support community service, and one loan supports revitalization or stabilization. Examples of community development loans follow.

- \$2.8 million loan to a non-profit federally qualified health center to provide services targeted to low- and moderate- income individuals.
- \$1.5 million loan to a non-profit that provides community services targeting low- and moderate-income individuals.

INVESTMENT TEST

First-Citizens Bank has a significant level of qualified investments in the assessment area. The bank exhibits good responsiveness to credit and community development needs and occasionally uses innovative and/or complex investments to support community development initiatives.

Investment and Grant Activity

The bank has a significant level of qualified community development investments in the Anaheim MD assessment area. Qualified investments total \$11.6 million or 10.0 percent of California qualified investments. Investments include four nationwide based GNMA MBS, of which \$2.6 million supported affordable housing projects in the assessment area. Investments also include an SBA pool totaling \$3.0 million supporting economic development. Prior period investments consisted of seven SBA pools totaling \$6.0 million, which supported economic development. The bank also made eight donations or grants totaling \$5,500. Of these contributions, \$3,000 benefited community services and \$2,500 benefited economic development. Provided below are examples of donations that benefited the assessment area.

- \$1,500 to an organization that provides community services to low- and moderate-income individuals.
- \$2,000 to an entity that provides economic development opportunities to small businesses.

SERVICE TEST

First-Citizens Bank's delivery systems are accessible to essentially all portions of the Anaheim MD assessment area. The institution's opening and closing of branches has not adversely affected the accessibility of its delivery systems. Services and business hours do not vary in a way that inconveniences certain portions of the assessment area, particularly low- and moderate-income geographies, or individuals. The bank provided a relatively high level of community development services.

Accessibility of Delivery Systems

Delivery systems are accessible to essentially all portions of the assessment area. The conclusions regarding the accessibility of delivery systems for the assessment area are consistent with the institution overall and California rated area. The bank operates no branches in low-income tracts, with a population of just 8.6 percent of the assessment area. The level of branching in moderate-

income tracts is above the percentage of the population in those tracts. The bank also operates two ATMs in the assessment area, and neither one is located in a low- or moderate-income area.

Branch Distribution by Geography Income Level Anaheim MD Assessment Area						
Tract Income Level	Census Tracts		Population		Branches	
	#	%	#	%	#	%
Low	45	7.7	266,501	8.5	0	0.0
Moderate	147	25.2	861,664	27.7	1	33.3
Middle	177	30.4	902,571	29.0	1	33.3
Upper	211	36.2	1,084,272	34.8	1	33.3
NA	3	0.5	1,061	0.0	0	0.0
Total	583	100.0	3,116,069	100.0	3	100.0
<i>Source: 2015 ACS Data and Bank Data Due to rounding, totals may not add to 100 percent.</i>						

Changes in Branch Locations

To the extent changes have been made, the institution’s opening and closing of branches has not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and/or to low- and moderate-income individuals. Since the previous evaluation, the bank opened one branch in a moderate-income tract and closed one branch within the same moderate-income tract due to the close proximity of the newly opened branch located approximately 1.5 miles away.

Community Development Services

First-Citizens Bank provided a relatively high level of community development services in the assessment area. Bank employees and Board members provided 11 instances for 129 hours of community development service. These services equate to 1.2 instance and 14.3 hours of community development service per branch per year. This performance accounts for 0.5 percent of the bank-wide community development services and 16.0 percent of state-wide community development services by number of hours. The level of community development services is comparable to the percentage of branches within the assessment area at 0.6 percent bank-wide and 14.3 percent state-wide. The bank engaged in 8 instances of community development services at the previous evaluation. The following are examples of community development services provided.

- An employee is on the Board of an economic development corporation that serves as a resource for small businesses to help foster job creation and retention through the SBA’s 504 loan program.
- An employee is on the Business Advisory Council for a nonprofit foundation that provides health and wellness, housing, life skills, and employment to foster children.
- Employees provided multiple instances of financial education to organizations that support small businesses.

OTHER ASSESSMENT AREAS – Limited-Scope Review

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE LIMITED-SCOPE ASSESSMENT AREAS

The following table summarizes the conclusions for the three California assessment areas reviewed using limited-scope examination procedures. Conclusions regarding the institution’s CRA performance within the limited-scope areas were derived from reviewing available facts and data, including performance data, aggregate lending data comparisons, and demographic information. The conclusions did not alter the bank’s overall performance rating.

Assessment Area	Lending Test	Investment Test	Service Test
Sacramento MSA	Below	Below	Below
Oakland MD	Below	Below	Below
Riverside MSA	Below	Consistent	Below

The branch distribution and alternative delivery systems for the limited-scope assessment areas are consistent with the overall institution, with the exception of the Sacramento MSA assessment area which is below. Additionally, the service hours, loan and deposit products, services, and branch hours do not inconvenience low- and moderate-income individuals or areas.

A summary of First-Citizens Bank’s operations and activities for limited-scope areas, as well as geographic distribution and borrower profile data for 2020 are presented below. Demographic data and market share information for the limited-scope assessment areas are detailed in the Appendices.

Sacramento MSA Assessment Area

The Sacramento-Roseville-Folsom, CA MSA is comprised of four counties; however, the bank delineated Placer and Sacramento Counties as the Sacramento MSA assessment area. First-Citizens Bank operates three branches in this assessment area, which accounts for 14.3 percent of state-wide branches. In addition, the assessment area accounts for 14.0 percent of state-wide lending and 25.9 percent of state-wide deposits. The following activities occurred in the assessment area during the review period.

Activity	#	\$(000s)
Home Mortgage Loans	30	14,412
Small Business Loans	771	152,180
Community Development Loans	10	3,425
Investments (New)	--	--
Investments (Prior Period)	3	1,700*
Donations	11	10
Community Development Services	69	4 hours
<i>Small business and home mortgage lending volumes are based on the combined 2019, 2020, and 2021 lending data, while the community development loans, qualified investments, and community development services are from previous evaluation through December 31, 2021. Qualified investments also include those from prior periods that remain outstanding.</i> * Prior period investments included 3 SBA pools totaling approximately \$1.7 million, which benefited economic development in the assessment area.		

Geographic Distribution and Borrower Profile

Geographic Distribution of Home Mortgage Loans Sacramento MSA Assessment Area						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low	5.2	5.1	1	6.3	280	3.7
Moderate	19.9	15.9	0	0.0	0	0.0
Middle	35.4	32.5	3	18.8	1,898	24.9
Upper	39.4	46.5	12	75.0	5,439	71.4
Not Available	0.0	0.1	0	0.0	0	0.0
Totals	100.0	100.0	16	100.0	7,617	100.0
<i>Source: 2015 ACS; 2020 HMDA Data; and, 2020 HMDA Aggregate Data. Due to rounding, totals may not equal 100.0 percent.</i>						

Geographic Distribution of Small Business Loans Sacramento MSA Assessment Area						
Tract Income Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
Low	9.6	9.1	19	5.5	4,890	7.0
Moderate	22.5	21.4	55	15.8	9,360	13.4
Middle	31.0	29.7	85	24.4	12,660	18.1
Upper	34.7	38.4	179	51.4	40,973	58.5
Not Available	2.2	1.4	10	2.9	2,160	3.1
Totals	100.0	100.0	348	100.0	70,043	100.0

Source: 2015 ACS; 2020 CRA Data; and, 2020 CRA Aggregate Data.
Due to rounding, totals may not equal 100.0 percent.

Distribution of Home Mortgage Loans by Borrower Income Level Sacramento MSA Assessment Area						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low	24.4	3.3	0	0.0	0	0.0
Moderate	16.4	13.0	1	6.3	280	3.7
Middle	18.5	23.3	2	12.5	323	4.2
Upper	40.6	45.3	10	62.5	6,320	83.0
Not Available	0.0	15.1	3	18.8	694	9.1
Totals	100.0	100.0	16	100.0	7,617	100.0

Source: 2015 ACS; 2020 HMDA Data; and, 2020 HMDA Aggregate Data.
Due to rounding, totals may not equal 100.0 percent.

Distribution of Small Business Loans by Gross Annual Revenue Category Sacramento MSA Assessment Area						
Gross Revenue Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
<=\$1,000,000	87.6	41.2	107	30.7	19,178	27.4
>\$1,000,000	3.8	--	176	50.6	44,312	63.3
Revenue Not Available	8.6	--	65	18.7	6,553	9.4
Totals	100.0	100.0	348	100.0	70,043	100.0

Source: 2020 D&B Data; 2020 CRA Data; and, 2020 CRA Aggregate Data.
"--" data not available.
Due to rounding, totals may not equal 100.0 percent.

Oakland MD Assessment Area

The Oakland-Berkley-Livermore, CA MSA is comprised of two counties; however, the bank only delineated Contra Costa County as the Oakland MD assessment area. First-Citizens Bank operates one branch in this assessment area, which accounts for 4.8 percent of state-wide branches. In addition, the assessment area accounts for 1.2 percent of state-wide lending and 1.8 percent of state-wide deposits. The following activities occurred in the assessment area during the review period.

Activity	#	\$(000s)
Home Mortgage Loans	2	1,660
Small Business Loans	57	12,999
Community Development Loans	3	131
Investments (New)	--	--
Investments (Prior Period)	--	--
Donations	1	1
Community Development Services	3	4 hours
<i>Small business and home mortgage lending volumes are based on the combined 2019, 2020, and 2021 lending data, while the community development loans, qualified investments, and community development services are from previous evaluation through December 31, 2021. Qualified investments also include those from prior periods that remain outstanding.</i>		

Geographic Distribution and Borrower Profile

Geographic Distribution of Small Business Loans Oakland MD Assessment Area						
Tract Income Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
Low	6.7	5.6	1	4.2	70	1.4
Moderate	17.9	17.1	3	12.5	995	19.3
Middle	29.3	28.5	9	37.5	1,785	34.6
Upper	46.1	48.8	11	45.8	2,302	44.7
Totals	100.0	100.0	24	100.0	5,152	100.0
<i>Source: 2015 ACS; 2020 CRA Data; and, 2020 CRA Aggregate Data.</i>						

Distribution of Small Business Loans by Gross Annual Revenue Category Oakland MD Assessment Area						
Gross Revenue Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
<=\$1,000,000	88.7	42.5	2	8.3	205	4.0
>\$1,000,000	3.8	--	16	66.7	4,635	90.0
Revenue Not Available	7.6	--	6	25.0	312	6.1
Totals	100.0	100.0	24	100.0	5,152	100.0
<i>Source: 2020 D&B Data; 2020 CRA Data; and, 2020 CRA Aggregate Data. "--" data not available. Due to rounding, totals may not equal 100.0 percent.</i>						

Riverside MSA Assessment Area

The Riverside-San Bernardino-Ontario, CA MSA is comprised of two counties; however, the bank only delineated Riverside County as the Riverside MSA assessment area. First-Citizens Bank operates three branches in this assessment area, which accounts for 14.3 percent of state-wide branches. In addition, the assessment area accounts for 10.9 percent of state-wide lending and 12.8 percent of state-wide deposits. The following activities occurred in the assessment area during the review period.

Activity	#	\$(000s)
Home Mortgage Loans	35	11,887
Small Business Loans	616	118,261
Community Development Loans	6	4,971
Investments (New)	3	8,400*
Investments (Prior Period)	3	1,786**
Donations	10	10
Community Development Services	5	44 hours
<i>Small business and home mortgage lending volumes are based on the combined 2019, 2020, and 2021 lending data, while the community development loans, qualified investments, and community development services are from previous evaluation through December 31, 2021. Qualified investments also include those from prior periods that remain outstanding.</i>		
<i>* The bank invested in two nationwide GNMA MBS supporting affordable housing, of which \$5.1 million benefited the Riverside MSA assessment area. Additionally, the bank invested in an SBA pool totaling approximately \$3.3 million, which supported economic development in the assessment area.</i>		
<i>** The bank invested in a prior period nationwide GNMA MBS supporting affordable housing, of which \$999,274 benefited the Riverside MSA assessment area. Additionally, two prior period SBA pools totaling \$786,308 supported economic development in the assessment area.</i>		

Geographic Distribution and Borrower Profile

Geographic Distribution of Home Mortgage Loans Riverside MSA Assessment Area						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low	2.2	0.9	0	0.0	0	0.0
Moderate	20.1	13.6	0	0.0	0	0.0
Middle	36.0	33.6	3	25.0	996	19.8
Upper	41.7	51.9	9	75.0	4,039	80.2
Totals	100.0	100.0	12	100.0	5,035	100.0
<i>Source: 2015 ACS; 2020 HMDA Data; and, 2020 HMDA Aggregate Data. Due to rounding, totals may not equal 100.0 percent.</i>						

Geographic Distribution of Small Business Loans Riverside MSA Assessment Area						
Tract Income Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
Low	2.9	2.6	4	1.4	268	0.5
Moderate	22.5	23.3	53	19.0	7,902	15.5
Middle	34.6	34.8	111	39.8	23,227	45.6
Upper	40.0	39.3	111	39.8	19,492	38.3
Totals	100.0	100.0	279	100.0	50,889	100.0

Source: 2015 ACS; 2020 CRA Data; and, 2020 CRA Aggregate Data.
Due to rounding, totals may not equal 100.0 percent.

Distribution of Home Mortgage Loans by Borrower Income Level Riverside MSA Assessment Area						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low	21.4	2.1	1	8.3	106	2.1
Moderate	16.8	8.4	0	0.0	0	0.0
Middle	18.7	18.5	1	8.3	50	1.0
Upper	43.1	46.3	6	50.0	3,837	76.2
Not Available	0.0	24.8	4	33.3	1,042	20.7
Totals	100.0	100.0	12	100.0	5,035	100.0

Source: 2015 ACS; 2020 HMDA Data; and, 2020 HMDA Aggregate Data.
Due to rounding, totals may not equal 100.0 percent.

Distribution of Small Business Loans by Gross Annual Revenue Category Riverside MSA Assessment Area						
Gross Revenue Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
<=\$1,000,000	88.9	39.8	84	30.1	14,174	27.9
>\$1,000,000	3.7	--	116	41.6	23,009	45.2
Revenue Not Available	7.4	--	79	28.3	13,706	26.9
Totals	100.0	100.0	279	100.0	50,889	100.0

Source: 2020 D&B Data; 2020 CRA Data; and, 2020 CRA Aggregate Data.
"--" data not available.

FLORIDA

CRA RATING FOR FLORIDA: SATISFACTORY

The Lending Test is rated: High Satisfactory

The Investment Test is rated: High Satisfactory

The Service Test is rated: High Satisfactory

DESCRIPTION OF INSTITUTION'S OPERATIONS IN FLORIDA

The evaluation of the Florida performance considered the operations of First-Citizens Bank in ten assessment areas, which are detailed in the Description of Assessment Areas. The assessment areas in Florida have not changed since the last evaluation. The bank operates 27 or 5.3 percent of its branch offices in Florida. Florida accounts for 3.8 percent of bank-wide loans by dollar volume, 3.2 percent of bank-wide loans by number, and 4.8 percent of the bank-wide deposits. Overall, First-Citizens Bank ranks 37th in the state in deposit market share at 0.3 percent. Competitor institutions in the assessment areas include Bank of America, NA; Wells Fargo Bank, NA; and Truist Bank. Together, the three competitor institutions account for 43.7 percent of the market share.

SCOPE OF EVALUATION – FLORIDA

Examiners conducted full-scope reviews of performance in the Jacksonville MSA, Miami MD, and Tampa MSA assessment areas. A large portion of the loans (48.5 percent), deposits (65.6 percent), and branches (55.5 percent) in Florida are concentrated in these assessment areas. The overall conclusions, analysis, and ratings for Florida are predicated primarily on performance within these three assessment areas. Additionally, given the varying level of lending, deposits, and branches, the three full-scope assessment areas are weight equally in determining the overall conclusions and rating for Florida. Limited-scope areas included the Cape Coral, Naples, North Port, Orlando, Port St. Lucie MSA assessment areas and Fort Lauderdale and West Palm Beach MD assessment areas. The West Palm Beach MSA assessment area received lesser weight, followed by the Fort Lauderdale MSA assessment area. The remaining limited-scope assessment areas received limited weight.

Small business loans constitute the primary loan type by number and dollar volume in Florida at 76.2 percent of loans by dollar volume and 89.2 percent of loans by number. While small business lending is the primary product in each assessment area, the percentage of lending that small businesses loans represents varies somewhat among the assessment areas. For the Jacksonville MSA and Tampa MSA assessment areas, small business lending levels are comparable to the overall percentages for Florida; thus, receiving significant weight in the overall analysis and conclusions for those assessment area. Additionally, small business lending in the Miami MD assessment area by number of loans is comparable to Florida levels, the dollar volume is lower at 60.7 percent. Therefore, small business loans will receive the most weight in the overall analysis and conclusions for the Miami MD assessment area. Home mortgage loans were also reviewed in all assessment areas, except the North Port and Port St. Lucie MSA assessment areas, given the limited volume of home mortgage lending. Home mortgage lending performance received minimal weight in the overall analysis, conclusions, and ratings for the assessment areas and Florida. Small

farm loans were not included in the analysis due to the nominal number and dollar volume originated.

CONCLUSIONS ON PERFORMANCE CRITERIA IN FLORIDA

LENDING TEST

The Lending Test rating for Florida is High Satisfactory. Lending levels reflect adequate responsiveness to the Florida assessment areas' credit needs. The geographic distribution reflects adequate penetration throughout the assessment areas, and the borrower profile reflects good distribution of loans to borrowers of different incomes and businesses of different sizes. The institution uses innovative and/or flexible lending practices and originated a relatively high level of community development loans. Consistent performance is noted in the Jacksonville MSA and Miami MD assessment areas, with performance in the Tampa MSA assessment area considered higher.

Lending Activity

Lending levels reflect adequate responsiveness to the Florida MSA assessment areas' credit needs. The tables presented in each assessment area detail the number and dollar volume of home mortgage and small business loans originated during the evaluation period.

Geographic Distribution

The overall geographic distribution of home mortgage and small business loans is adequate.

The distribution of loans is based upon the small business lending performance as small business lending represents a significant level of lending compared to home mortgage lending. Small business performance is excellent in the Tampa MSA assessment area and adequate in the other two full-scope assessment areas.

Borrower Profile

The overall distribution of home mortgage loans to borrowers of different incomes and small business loans to businesses of different sizes is good based on the small business lending performance and given the significantly higher level of small business lending. Performance in the full-scope assessment areas is consistent, with the exception of the Miami MD assessment area, which is considered adequate.

Community Development Loans

First-Citizens Bank originated a relatively high level of community development loans in Florida. During this evaluation period, the bank originated 45 community development loans totaling \$51.0 million. This represents 8.2 percent by number and 5.9 percent by dollar volume of total bank-wide community development loans. This performance represents a significant increase from performance at the last evaluation of eight community development loans totaling \$4.0 million. The performance within each full-scope assessment area varied with the Jacksonville MSA

assessment area considered adequate, and the Tampa MSA assessment area is considered low. First-Citizens Bank originated few, if any, community development loans in the Miami MD assessment area. However, at the overall rated area level, the bank originated six loans totaling \$22.4 million outside the assessment areas but within the broader state-wide area. Since the bank has been responsive to community development needs and opportunities within its assessment areas, the loans are included and result in a relatively high level of community development loans within Florida. The analysis for each full-scope Florida assessment area includes a detailed discussion of community development loans. Below are examples of community development loans originated in the broader state-wide area.

- \$41,000 participation loan to fund an 83-unit affordable housing project in a low-income census tract.
- \$500,000 loan to a non-profit organization in a moderate-income tract that oversees three early learning programs for the area, including the school readiness programs and child care resource and referral programs.

INVESTMENT TEST

The Investment Test is rated High Satisfactory. First-Citizens Bank has a significant level of qualified investments in Florida. The bank exhibits good responsiveness to credit and community development needs and occasionally uses innovative and/or complex investments to support community development initiatives. The performance varied within each of the three full-scope assessment areas.

Investment and Grant Activity

The bank made a significant level of qualified investments, donations, and grants of \$79.3 million in Florida. This represents 12.2 percent of total bank-wide qualified investments. Investments since the prior evaluation include five nationwide GNMA MBS, of which \$66.8 million benefited affordable housing projects in assessment areas in Florida. The bank made 94 donations or grants totaling \$81,238. Prior period investments total \$8.8 million for regional and nationwide LIHTC and GNMA MBS supporting affordable housing projects in Florida. Additionally, prior period investments include two certificates of deposit at MDIs located in Florida assessment areas totaling \$499,000. Prior period investments also include 12 SBA pools totaling \$3.1 million that supported economic development in assessment areas in Florida. Please refer to the full-scope assessment areas for examples.

SERVICE TEST

The Service Test rating is High Satisfactory in Florida. First-Citizens Bank's delivery systems are accessible to limited portions of the assessment areas, but the opening and closing of branches has not adversely affected the accessibility of its delivery systems, particularly with respect to low- and moderate-income geographies or individuals. Services and business hours do not vary in a way that inconveniences certain portions of the assessment areas, particularly in low- and moderate-income geographies, or to low- and moderate-income individuals. The bank provided a relatively high level

of community development services. The bank’s performance is consistent across the full-scope assessment areas, with the exception of the Miami MD assessment area.

Accessibility of Delivery Systems

Delivery systems are accessible to limited portions of the Florida assessment areas. The conclusions regarding the accessibility of delivery systems for the Florida rated area are not as favorable as the institution overall. Overall, the bank does not have any branches in the low-income tracts; however, the percentage of the population in those tracts is low at 5.2 percent. Branch locations within moderate-income tracts are below the population levels for those tracts. The bank also operates 3 of 17 ATMs (17.6 percent) within the moderate-income tracts. The branch distribution by geography income level is shown in the following table.

Florida - Branch Distribution by Geography Income Level						
Tract Income Level	Census Tracts		Population		Branches	
	#	%	#	%	#	%
Low	165	6.0	662,542	5.2	0	0.0
Moderate	702	25.5	3,300,572	25.9	4	14.8
Middle	908	33.1	4,459,934	35.0	6	22.2
Upper	913	33.3	4,296,059	33.7	17	63.0
NA	57	2.1	35,926	0.3	0	0.0
Total	2,745	100.0	12,755,033	100.0	27	100.0
<i>Source: 2015 ACS Data and Bank Data Due to rounding, totals may not add to 100 percent.</i>						

Changes in Branch Locations

To the extent changes have been made, the institution’s opening and closing of branches has not adversely affected the accessibility of delivery systems, particularly in low- and moderate-income geographies and/or to low- and moderate-income individuals. Since the previous evaluation, the bank has opened or acquired ten branches and closed nine branches throughout Florida. As shown in the table below, the net effect was a decrease of one branch in a middle-income tract and an increase of two branches in upper-income tracts. Details of changes in branch locations are contained within the full-scope assessment areas in which changes occurred.

Net Distribution of Branch Openings/Closings						
Assessment Area	# of Branch Openings	# of Branch Closings	Income Level of Census Tract (+/-)			
			Low	Moderate	Middle	Upper
Cape Coral MSA	0	0	0	0	0	0
Fort Lauderdale MD	0	0	0	0	0	0
Jacksonville MSA	0	0	0	0	0	0
Miami MD	4	0	0	0	0	+3
Naples MSA	0	0	0	0	0	0
North Port MSA	0	0	0	0	0	0
Orlando MSA	2	2	0	+1	-1	0
Port St. Lucie MSA	0	0	0	0	0	0
Tampa MSA	3	4	0	-1	+1	-1
West Palm Beach MD	1	2	0	0	-1	0
Total	10	9	0	0	-1	+2
<i>Source: Bank Data</i>						

Community Development Services

First-Citizens Bank provided a relatively high level of community development services in Florida. Bank employees and Board members provided 98 instances and 1,093 hours of community development service in Florida. These services equate to 1.2 instances and 13.5 hours of community development service per branch per year. This performance represented 4.2 percent of the bank-wide community development services by number of hours. The level of community development services is lower than the percentage of branches within the assessment area at 10.7 percent. Employees are involved in community development organizations that primarily provide economic development and community services for low- and moderate-income individuals and areas. The bank provided 50 community development services at the last evaluation. Refer to each full-scope assessment area for examples.

Community Development Services										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	Hours	#	Hours	#	Hours	#	Hours	#	Hours
Cape Coral MSA	0	0	6	144	3	5	0	0	9	149
Fort Lauderdale MD	0	0	0	0	6	23	0	0	6	23
Jacksonville MSA	0	0	7	243	7	16	1	1	15	260
Miami MD	0	0	2	38	5	52	2	2	9	92
Naples MSA	0	0	10	144	3	5	2	2	15	151
North Port MSA	1	2	1	1	3	5	1	2	6	10
Orlando MSA	1	10	1	2	0	0	0	0	2	12
Port St Lucie MSA	0	0	1	1	2	2	0	0	3	3
Tampa MSA	0	0	15	317	8	63	0	0	23	380
West Palm Beach MD	0	0	3	4	5	7	2	2	10	13
Florida Totals	2	12	46	894	42	178	8	9	98	1,093
<i>Source: Bank Data</i>										

JACKSONVILLE MSA ASSESSMENT AREA – Full-Scope Review

DESCRIPTION OF INSTITUTION’S OPERATIONS IN THE JACKSONVILLE MSA ASSESSMENT AREA

The Jacksonville, FL MSA includes five counties; however, the bank only delineated Duval and St. Johns Counties as the assessment area. There have been no changes to the assessment area since the last evaluation. The bank operates four or 14.8 percent of its Florida branch offices in the Jacksonville MSA assessment area. The assessment area represents 19.4 percent of state-wide loans by dollar and number volume and 12.4 percent of the state-wide deposits.

Economic and Demographic Data

The assessment area consists of 215 tracts, including 20 low-income tracts, 59 moderate-income tracts, 70 middle-income tracts, and 63 upper-income tracts. Three tracts have no income designation. The following table presents demographic information from the 2015 ACS Census and 2020 D&B data.

Demographic Information for the Jacksonville MSA Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	215	9.3	27.4	32.6	29.3	1.4
Population by Geography	1,101,168	6.5	25.0	35.8	32.7	0.0
Housing Units by Geography	488,397	7.3	25.0	34.4	33.2	0.0
Owner-Occupied Units by Geography	259,840	4.5	20.4	35.5	39.7	0.0
Occupied Rental Units by Geography	157,302	9.7	31.9	34.8	23.6	0.0
Vacant Units by Geography	71,255	12.6	26.9	29.5	31.0	0.0
Businesses by Geography	153,305	4.8	21.5	30.5	43.2	0.0
Farms by Geography	3,463	3.9	21.1	37.1	37.9	0.0
Family Distribution by Income Level	264,961	22.7	17.0	19.5	40.7	0.0
Household Distribution by Income Level	417,142	24.7	16.8	17.2	41.3	0.0
Median Family Income - Jacksonville, FL MSA	\$64,042		Median Housing Value			\$173,962
			Median Gross Rent			\$980
			Families Below Poverty Level			11.9%
<small>Source: 2015 ACS and 2020 D&B Data Due to rounding, totals may not equal 100.0 percent. (*) The NA category consists of geographies that have not been assigned an income classification.</small>						

The Geographic Distribution criterion compares home mortgage loans to the distribution of owner-occupied housing units and compares small business loans to the percentage of businesses located in low-, moderate-, middle-, and upper-income tracts. The 2015 ACS data shows a majority of owner-occupied housing units and businesses are within the middle- and upper-income tracts, indicating most of the lending opportunities will be in these geographies. The moderate-income

tracts contain a fair level of owner-occupied housing units and businesses, while significantly fewer opportunities are indicated in the low-income tracts.

The FFIEC updated Jacksonville, FL MSA MFIs were used to analyze home mortgage loans under the Borrower Profile criterion. The following table presents each income category.

Jacksonville MSA – Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
2019 (\$73,300)	<\$36,650	\$36,650 to <\$58,640	\$58,640 to <\$87,960	≥\$87,960
2020 (\$74,800)	<\$37,400	\$37,400 to <\$59,840	\$59,840 to <\$89,760	≥\$89,760
2021 (\$74,800)	<\$37,400	\$37,400 to <\$59,840	\$59,840 to <\$89,760	≥\$89,760
<i>Source: FFIEC</i>				

The analysis of home mortgage lending by borrower income uses families by income level as a comparison to bank performance. The median housing value is nearly \$174,000, and prices are continuing to rise due to the current economic conditions, which can potentially make housing increasingly unaffordable for low-income individuals. Therefore, lending opportunities to low-income families may be limited.

The analysis of small business loans under the Borrower Profile criterion compares the distribution of small business lending by gross annual revenue. The D&B 2020 distribution of businesses based on gross annual revenues is listed below.

- 90.1 percent reported \$1 million or less;
- 3.2 percent reported more than \$1 million; and
- 6.7 percent did not report revenues.

In 2020, the top industries were Education and Health Services; Professional and Business Services, and Leisure and Hospitality Services. Additionally, approximately 92.6 percent of area businesses have nine or fewer employees. The top employers were Naval Air Station Jacksonville, Baptist Health, Mayport Naval Station, Bank of America Merrill Lynch, and Florida Blue.

The 2020 unemployment rates increased sharply due to the COVID-19 pandemic. The 2021 unemployment rates dropped sharply, although the rates in the counties comprising the assessment area are still above the pre-pandemic levels. Unemployment rates in Duval and St. Johns Counties were generally below the state and national averages.

Unemployment Rates			
Area	2019	2020	2021
	%	%	%
Duval County	3.4	7.4	4.5
St. Johns County	2.7	5.6	3.1
Florida	3.2	8.3	4.6
National Average	3.7	8.1	5.2
<i>Source: Bureau of Labor Statistics</i>			

Competition

The assessment area is highly competitive. According to the FDIC Deposit Market Share data as of June 30, 2021, 26 FDIC-insured institutions operate 200 branches within the assessment area. Of these institutions, First-Citizens Bank ranked 14th with a market share of 0.3 percent. Competitor institutions in the assessment area include Bank of America, NA; Tiaa, FSB; and Wells Fargo Bank, NA. Together, the three competitor institutions account for 85.2 percent of the market share.

There is a high level of competition for home mortgage loans among banks, credit unions, and non-depository mortgage lenders. Aggregate data for 2020 shows 794 lenders reported 74,370 residential mortgage loans originated or purchased indicating high competition. First-Citizens Bank ranked 176th with a market share of less than 0.1 percent. The five dominant home mortgage lenders accounted for 23.5 percent of total market share by number.

In addition, there is a high level of competition for business loans within the assessment area. Aggregate data for 2020 shows 205 lenders reported 34,121 small business loans originated or purchased in the assessment area. Overall, First-Citizens Bank ranked 20th with 1.0 percent market share by number of loans and 10th with 3.1 percent market share by dollar volume. The five dominant small business lenders accounted for 49.8 percent of the total market share by number.

Credit and Community Development Needs and Opportunities

A review of demographic and economic data indicates the need for home mortgage and small business loans. In particular, there is a need for affordable housing for low- and moderate-income families as housing prices have continued to rise. The percentage of families in the low- and moderate-income categories and 11.9 percent of families living below the poverty level support this conclusion. Examiners also determined the need for small business loans, which is based on the high number of businesses with four or fewer employees and a majority of businesses reporting gross annual revenues of \$1 million or less.

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE JACKSONVILLE MSA ASSESSMENT AREA

LENDING TEST

Lending levels in the Jacksonville MSA assessment area reflect adequate responsiveness to assessment area credit needs. The geographic distribution reflects adequate penetration throughout the assessment

area, and the borrower profile reflects good distribution of small business loans to businesses of different sizes and home mortgage loans to borrowers of different incomes. The institution uses innovative and/or flexible lending practices and originated an adequate level of community development loans.

Lending Activity

Lending levels reflect adequate responsiveness to the assessment area’s credit needs. The tables presented below detail the number and dollar volume of 2020 small business and home mortgage loans in this assessment area.

Geographic Distribution

The geographic distribution of loans is adequate.

Small Business Loans

The geographic distribution of small business loans reflects adequate penetration throughout the assessment area. Lending in low-income tracts was below demographic and aggregate lending data. Lending performance in moderate-income tracts was comparable to demographic and aggregate lending data.

Geographic Distribution of Small Business Loans Jacksonville MSA Assessment Area						
Tract Income Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
Low	4.8	4.8	5	1.4	904	1.5
Moderate	21.5	20.8	72	20.7	15,778	25.5
Middle	30.5	28.5	89	25.6	14,859	24.0
Upper	43.2	46.0	181	52.2	30,349	49.0
Totals	100.0	100.0	347	100.0	61,890	100.0
<i>Source: 2015 ACS; 2020 CRA Data; and, 2020 CRA Aggregate Data. Due to rounding, totals may not equal 100.0 percent.</i>						

Home Mortgage Loans

The geographic distribution of home mortgage loans is adequate. The bank did not originate any home mortgage loans within low-income tracts. However, aggregate lending is low at only 1.5 percent and only 4.5 percent of the owner-occupied housing units are in the low-income tracts, indicating limited opportunities. Lending in moderate-income tracts was significantly below demographic data and aggregate lending data. However, performance in 2019 was comparable with aggregate lending data but below demographic data. Performance in 2021 was comparable to demographic data.

Geographic Distribution of Home Mortgage Loans Jacksonville MSA Assessment Area						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low	4.5	1.5	0	0.0	0	0.0
Moderate	20.4	13.5	2	5.7	1,203	8.8
Middle	35.5	32.7	7	20.0	1,916	14.1
Upper	39.7	52.4	26	74.3	10,487	77.1
Totals	100.0	100.0	35	100.0	13,605	100.0

*Source: 2015 ACS; 2020 HMDA Data; and, 2020 HMDA Aggregate Data.
Due to rounding, totals may not equal 100.0 percent.*

Borrower Profile

The distribution of small business loans to businesses of different sizes and home mortgage loans to borrowers of different incomes is good based upon the small business lending, which accounts for 89.6 percent of loans by dollar volume and 82.4 percent by number of loans.

Small Business Loans

The distribution of small business loans reflects good penetration to businesses with gross annual revenues of \$1 million or less. Lending to small businesses was significantly below demographic data but exceeded aggregate lending data.

Distribution of Small Business Loans by Gross Annual Revenue Category Jacksonville MSA Assessment Area						
Gross Revenue Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
<=\$1,000,000	90.1	38.4	150	43.2	14,733	23.8
>\$1,000,000	3.2	--	109	31.4	28,497	46.0
Revenue Not Available	6.7	--	88	25.4	18,660	30.2
Totals	100.0	100.0	347	100.0	61,890	100.0

*Source: 2020 D&B Data; 2020 CRA Data; and, 2020 CRA Aggregate Data.
"--" data not available.*

Home Mortgage Loans

The distribution of home mortgage loans reflects poor penetration among borrowers of different incomes. The bank did not originate any home mortgage loans to low-income borrowers. Lending to moderate-income borrowers was significantly lower than both the demographic and aggregate lending data.

Distribution of Home Mortgage Loans by Borrower Income Jacksonville MSA Assessment Area						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low	22.7	4.5	0	0.0	0	0.0
Moderate	17.0	13.9	2	5.7	553	4.1
Middle	19.5	18.4	0	0.0	0	0.0
Upper	40.7	39.7	30	85.7	9,676	71.1
Not Available	0.0	23.6	3	8.6	3,376	24.8
Totals	100.0	100.0	35	100.0	13,606	100.0
<i>Source: 2015 ACS; 2020 HMDA Data; and, 2020 HMDA Aggregate Data. Due to rounding, totals may not equal 100.0 percent.</i>						

Community Development Loans

First-Citizens Bank made an adequate level of community development loans in the Jacksonville MSA assessment area. The bank originated three community development loans totaling \$2.1 million. This amount represents 6.7 percent by number and 4.0 percent by dollar volume of community development loans originated within Florida. Regarding the community development purpose, one loan supports affordable housing, one loan supports community service, and one loan supports revitalization or stabilization. Examples of community development loans follow.

- \$1.0 million loan to construct a new business in a moderate-income census tract.
- \$1.0 million commitment in a LIHTC pool to a CDFI that supports affordable housing efforts in a moderate-income census tract.

INVESTMENT TEST

First-Citizens Bank has an adequate level of qualified investments in the assessment area. The bank exhibits good responsiveness to credit and community development needs and occasionally uses innovative and/or complex investments to support community development initiatives.

Investment and Grant Activity

The bank has an adequate level of qualified investments in the Jacksonville MSA assessment area. Qualified investments total \$3.2 million or 4.0 percent of Florida qualified investments. Investments include two prior period, nationwide based GNMA MBS investments, of which \$3.1 million supported affordable housing projects in the assessment area. Additionally, \$29,430 in prior period SBA pools contributed to economic development by supporting small businesses in the assessment area. Further, the bank made 16 donations or grant contributions totaling \$17,625. Of these contributions, \$6,375 benefited community services and \$10,750 benefited economic development, and \$500 benefited affordable housing. Provided below are examples of donations that benefited the assessment area.

- \$2,125 to an organization that provides community services to low- and moderate-income

- individuals.
- \$7,500 to an organization that provides economic development opportunities to small businesses.

SERVICE TEST

First-Citizens Bank’s delivery systems are accessible to limited portions of the Jacksonville MSA assessment area. The institution did not open or close any branches in the assessment area during the evaluation period; thus, no adverse impact is noted to the accessibility of its delivery systems. Services and business hours do not vary in a way that inconveniences certain portions of the assessment area, particularly low- and moderate-income geographies, or individuals. The bank provided a relatively high level of community development services.

Accessibility of Delivery Systems

Delivery systems are accessible to limited portions of the assessment area. The conclusions regarding the accessibility of delivery systems for the assessment area are below the institution overall and consistent with the Florida rated area. The bank operates four branches and two ATMs in the assessment area, with none in the low- or moderate income tracts.

Branch Distribution by Geography Income Level Jacksonville MSA Assessment Area						
Tract Income Level	Census Tracts		Population		Branches	
	#	%	#	%	#	%
Low	20	9.3	72,017	6.5	0	0.0
Moderate	59	27.4	275,490	25.0	0	0.0
Middle	70	32.6	394,096	35.8	0	0.0
Upper	63	29.3	359,565	32.7	4	100.0
NA	3	1.4	0	0.0	0	0.0
Total	215	100.0	1,101,168	100.0	4	100.0
<i>Source: 2015 ACS Data and Bank Data</i>						

Community Development Services

First-Citizens Bank provided a relatively high level of community development services in the assessment area. Bank employees and Board members provided 15 instances for 260 hours of community development service. These services equate to 1.3 instances and 21.7 hours of community development service per branch per year. This performance accounts for 1.0 percent of the bank-wide community development services and 23.8 percent of state-wide community development services by number of hours. The level of community development services is comparable to the percentage of bank-wide branches at 0.8 percent and higher than state-wide branches of 14.8 percent. The bank engaged in 11 instances of community development at the previous evaluation. The following are examples of community development services provided.

- In 10 of the 15 instances, bank employees served as an education partner or presenter for various organizations. The majority of the presentations were to small businesses, with one

to low- and moderate-income individuals.

- One employee serves on the Board for a non-profit organization that offers services to individuals, including residential services and job training.

MIAMI MD ASSESSMENT AREA – Full-Scope Review

DESCRIPTION OF INSTITUTION’S OPERATIONS IN THE MIAMI MD ASSESSMENT AREA

The Miami MD assessment area consists of Miami-Dade County, which comprises the entire Miami-Miami Beach-Kendall, FL MD. There have been no changes to the assessment area since the last evaluation. The bank operates four or 14.8 percent of its Florida branch offices in the Miami MD assessment area. The assessment area represents 18.1 percent of the state-wide loans by dollar volume, 15.5 percent of state-wide loans by number, and 37.0 percent of state-wide deposits.

Economic and Demographic Data

The assessment area consists of 519 census tracts, including 30 low-income tracts, 144 moderate-income tracts, 150 middle-income tracts, and 177 upper-income tracts. Eighteen tracts have no income designation. The following table presents demographic information from the 2015 ACS Census and 2020 D&B data.

Demographic Information for the Miami MD Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	519	5.8	27.7	28.9	34.1	3.5
Population by Geography	2,639,042	5.5	29.7	30.9	33.2	0.7
Housing Units by Geography	998,833	5.3	27.5	29.3	37.2	0.6
Owner-Occupied Units by Geography	452,826	2.0	21.4	31.9	44.4	0.2
Occupied Rental Units by Geography	389,327	9.6	37.8	28.2	23.5	0.8
Vacant Units by Geography	156,680	4.3	19.4	24.6	50.4	1.3
Businesses by Geography	533,780	3.1	20.8	25.9	47.8	2.4
Farms by Geography	5,633	3.5	22.8	27.1	45.8	0.8
Family Distribution by Income Level	572,388	24.0	16.6	16.9	42.5	0.0
Household Distribution by Income Level	842,153	26.1	15.1	15.9	42.9	0.0
Median Family Income - Miami-Miami Beach-Kendall, FL MD		\$49,264	Median Housing Value			\$244,010
			Median Gross Rent			\$1,155
			Families Below Poverty Level			16.9%
<i>Source: 2015 ACS and 2020 D&B Data Due to rounding, totals may not equal 100.0 percent. (*) The NA category consists of geographies that have not been assigned an income classification.</i>						

The Geographic Distribution criterion compares home mortgage loans to the distribution of owner-occupied housing units and compares small business loans to the percentage of businesses located in low-, moderate-, middle-, and upper-income tracts. The 2015 ACS data shows a majority of

owner-occupied housing units and businesses are within the middle- and upper-income tracts, indicating most of the lending opportunities will be in these geographies. The moderate-income tracts contain a fair level of owner-occupied housing units and businesses, while significantly fewer opportunities are indicated in the low-income tracts.

The FFIEC updated Miami-Miami Beach-Kendall MD MFIs were used to analyze home mortgage loans under the Borrower Profile criterion. The following table presents each income category.

Miami MD – Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
2019 (\$54,900)	<\$27,450	\$27,450 to <\$43,920	\$43,920 to <\$65,880	≥\$65,880
2020 (\$59,100)	<\$29,550	\$29,550 to <\$47,280	\$47,280 to <\$70,920	≥\$70,920
2021 (\$61,000)	<\$30,500	\$30,500 to <\$48,800	\$48,800 to <\$73,200	≥\$73,200
<i>Source: FFIEC</i>				

The analysis of home mortgage lending by borrower income uses families by income level as a comparison to bank performance. The median housing value is over \$244,000, and prices are continuing to rise due to the current economic conditions, which can potentially make housing increasingly unaffordable for low-income individuals. Therefore, lending opportunities to low-income families may be limited.

The analysis of small business loans under the Borrower Profile criterion compares the distribution of small business lending by gross annual revenue. The D&B 2020 distribution of businesses based on gross annual revenues is listed below.

- 93.3 percent reported \$1 million or less;
- 2.7 percent reported more than \$1 million; and
- 4.0 percent did not report revenues.

In 2020, the top industries were Education and Health Services; Professional and Business Services; and, Leisure and Hospitality Services. Additionally, approximately 94.8 percent of businesses operate with nine or fewer employees. The top employers were Publix Super Markets, Inc., Baptist Health South Florida, American Airlines, Jackson Health System, and Florida International University.

The 2020 unemployment rate increased sharply due to the COVID-19 pandemic. The 2021 Miami-Dade County unemployment rate dropped sharply; however, the rate remains well above the pre-pandemic rate and slightly elevated over the state and national average.

Unemployment Rates			
Area	2019	2020	2021
	%	%	%
Miami-Dade County	2.7	7.5	5.3
Florida	3.2	8.3	4.6
National Average	3.7	8.1	5.2
<i>Source: Bureau of Labor Statistics</i>			

Competition

The assessment area is highly competitive. According to the FDIC Deposit Market Share data as of June 30, 2021, 55 FDIC-insured institutions operate 614 branches within the assessment area. Of these institutions, First-Citizens Bank ranked 40th with a market share of 0.5 percent. Competitor institutions in the assessment area include Bank of America, NA; Wells Fargo Bank, NA; and, JPMorgan Chase Bank, NA. Together, the three competitor institutions account for 37.0 percent of the market share.

There is a high level of competition for home mortgage loans among banks, credit unions, and non-depository mortgage lenders. Aggregate data for 2020 shows 726 lenders reported 78,733 residential mortgage loans originated or purchased indicating high competition. First-Citizens Bank ranked 221st with a market share of 0.03 percent. The five dominant home mortgage lenders accounted for 28.0 percent of total market share by number.

In addition, there is a high level of competition for business loans within the assessment area. Aggregate data for 2020 shows 252 lenders reported 142,992 small business loans originated or purchased in the assessment area. Overall, First-Citizens Bank ranked 41st with 0.2 percent market share by number of loans and 25th with 0.6 percent market share by dollar volume. The five dominant small business lenders accounted for 60.1 percent of the total market share by number.

Community Contact

As part of the CRA evaluation process, examiners contact third parties active in the assessment area to assist in identifying the credit and community development needs. This information helps determine whether local financial institutions are responsive to these needs. It also shows what credit and community development opportunities are available. Examiners referenced one recent community contact within the Miami MD assessment area.

The community contact was with an affordable housing organization that serves as an advocate for new and existing affordable housing developments within the Miami-Dade County. The contact stated the housing market and economy are very strong within the county. Several large corporations are relocating to Miami, resulting in a significant demand for housing. As a result, rent and home prices are near all-time highs, which places low- and moderate-income individuals in a position where they are unable to afford to live in Miami. The contact noted a significant need for development of additional multi-family and single-family affordable housing due to Miami's high cost of living, which continues to rise.

Credit and Community Development Needs and Opportunities

Considering information from the community contact and economic and demographic data, examiners determined the primary needs and opportunities in the assessment area are home mortgage and small business loans. In particular, there is a need for affordable housing for low- and moderate-income families as housing prices have continued to rise and there is a significant demand for housing. The percentage of families in the low- and moderate-income categories and 16.9 percent of families below the poverty level support this conclusion. Examiners also determined the need for small business loans, which is based on the high number of businesses with four or fewer employees and a majority of businesses reporting gross annual revenues of \$1 million or less.

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE MIAMI MD ASSESSMENT AREA

LENDING TEST

Lending levels in the Miami MD assessment area reflect adequate responsiveness to assessment area credit needs. The geographic distribution reflects adequate penetration throughout the assessment area, and the borrower profile reflects adequate distribution of loans among business of different sizes and borrowers of different income levels. The institution uses innovative and/or flexible lending practices and originated few, if any, community development loans.

Lending Activity

Lending levels reflect adequate responsiveness to the assessment area's credit needs. The tables presented below detail the number and dollar volume of 2020 small business and home mortgage loans in this assessment area.

Geographic Distribution

The geographic distribution of loans is adequate.

Small Business Loans

The geographic distribution of small business loans reflects adequate penetration throughout the assessment area. Lending in low-income tracts was slightly below demographic and aggregate lending data. Lending in moderate-income tracts was well below demographic and aggregate lending data. However, performance in 2019 was consistent with demographic and aggregate lending data.

Geographic Distribution of Small Business Loans Miami MD Assessment Area						
Tract Income Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
Low	3.1	3.0	6	2.0	1,586	4.1
Moderate	20.8	21.3	44	14.6	7,769	20.0
Middle	25.9	25.0	55	18.2	7,569	19.5
Upper	47.8	48.2	193	63.9	21,407	55.1
Not Available	2.4	2.5	4	1.3	505	1.3
Totals	100.0	100.0	302	100.0	38,836	100.0

Source: 2015 ACS; 2020 CRA Data; and, 2020 CRA Aggregate Data.

Home Mortgage Loans

The geographic distribution of home mortgage loans is adequate. The bank did not originate any home mortgage loans within low-income tracts. However, lending by aggregate lenders was low at 1.3 percent, and low-income tracts contain only 2.0 percent of the owner-occupied housing units, indicating limited opportunity. Performance in 2021 improved and was slightly above demographic data. Lending in moderate-income tracts was below aggregate lending data and significantly below demographic data. Performance in 2021 improved and was consistent with demographic data.

Geographic Distribution of Home Mortgage Loans Miami MD Assessment Area						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low	2.0	1.3	0	0.0	0	0.0
Moderate	21.4	16.5	3	11.5	779	4.2
Middle	31.9	31.2	2	7.7	451	2.4
Upper	44.4	50.3	21	80.8	17,511	93.4
Not Available	0.2	0.7	0	0.0	0	0.0
Totals	100.0	100.0	26	100.0	18,742	100.0

*Source: 2015 ACS; 2020 HMDA Data; and, 2020 HMDA Aggregate Data.
Due to rounding, totals may not equal 100.0 percent.*

Borrower Profile

The distribution of small business loans to businesses of different sizes and home mortgage loans to borrowers of different incomes is adequate.

Small Business Loans

The distribution of small business loans reflects adequate penetration to businesses with gross annual revenues of \$1 million or less. Lending to small businesses was substantially below demographic and half of the aggregate lending data. Lending to small businesses in 2019 was

higher at 35.7 percent and was more comparable to the aggregate data at 48.7 percent. Additionally, in 2021, the lending to small businesses mirrored 2019 levels at 35.6 percent. Additionally, as reflected in the table below, the vast majority of small business loans did not have revenue reported, which impacts the overall analysis of loans to small businesses. As a result, an analysis of loans without revenue available by size of the loan was conducted. The analysis determined that 165 or 74.0 percent of loans without revenue had origination amounts of \$100,000 or less, indicating assistance to small businesses.

Distribution of Small Business Loans by Gross Annual Revenue Category Miami MD Assessment Area						
Gross Revenue Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
<=\$1,000,000	93.3	38.4	58	19.2	11,519	29.7
>\$1,000,000	2.7	--	21	7.0	3,560	9.2
Revenue Not Available	4.0	--	223	73.8	23,757	61.2
Totals	100.0	100.0	302	100.0	38,836	100.0
<i>Source: 2020 D&B Data; 2020 CRA Data; and, 2020 CRA Aggregate Data. "--" data not available. Due to rounding, totals may not equal 100.0 percent.</i>						

Home Mortgage Loans

The distribution of home mortgage loans reflects adequate penetration among borrowers of different incomes. The bank did not originate any home mortgage loans to low-income borrowers. Aggregate lending performance is low at only 0.9 percent, indicating limited opportunities may exist. Additionally, the community contact provided that housing is not affordable for low-income families. Lending to moderate-income borrowers was significantly below demographic data and slightly lower than aggregate lending data.

Distribution of Home Mortgage Loans by Borrower Income Miami MD Assessment Area						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low	24.0	0.9	0	0.0	0	0.0
Moderate	16.6	5.0	1	3.8	80	0.4
Middle	16.9	15.5	0	0.0	0	0.0
Upper	42.6	59.4	21	80.8	17,859	95.3
Not Available	0.0	19.2	4	15.4	802	4.3
Totals	100.0	100.0	26	100.0	18,742	100.0
<i>Source: 2015 ACS; 2020 HMDA Data; and, 2020 HMDA Aggregate Data. Due to rounding, totals may not equal 100.0 percent.</i>						

Community Development Loans

First-Citizens Bank made few, if any, community development loans in the Miami MD assessment area. The bank originated two community development loans totaling \$232,000. This amount represents 4.4 percent by number and 0.5 percent by dollar volume of community development loans originated within Florida. The two community development loans supported affordable housing through the purchase of affordable housing projects.

INVESTMENT TEST

First-Citizens Bank has an excellent level of qualified investments in the assessment area. The bank exhibits good responsiveness to credit and community development needs and occasionally uses innovative and/or complex investments to support community development initiatives.

Investment and Grant Activity

The bank has an excellent level of qualified investments in the Miami MD assessment area. Qualified investments total \$34.9 million or 44.0 percent of Florida qualified investments. Investments include \$31.2 million in a nationwide GNMA MBS investment supporting affordable housing projects in the assessment area. Prior period investments include two investments in nationwide LIHTC investments, of which \$1.3 million supported affordable housing projects in the assessment area. Prior period investments also included a certificate of deposit totaling \$249,000 at an MDI located in the assessment area. Additionally, \$2.1 million in four prior period SBA pools contributed to economic development by supporting small businesses. The bank made eight donation or grant contributions totaling \$4,000. Of these contributions, \$2,500 benefited community services, and \$1,500 benefited economic development. Provided below are examples of donations that benefited the assessment area.

- \$1,000 to a local CDFI to help provide services to low- and moderate-income areas and individuals.
- \$500 to an organization that provides economic development opportunities to small businesses.

SERVICE TEST

First-Citizens Bank's delivery systems are accessible to limited portions of the Miami MD assessment area. The institution's opening and closing of branches has not adversely affected the accessibility of its delivery systems. Services and business hours do not vary in a way that inconveniences certain portions of the assessment area, particularly low- and moderate-income geographies, or individuals. The bank provided an adequate level of community development services.

Accessibility of Delivery Systems

Delivery systems are accessible to limited portions of the assessment area. The accessibility of delivery systems within the assessment area is below the overall institution and consistent with the

Florida rated area. The bank operates four branches in the assessment area, representing 14.8 percent of branches in Florida. The bank operates no branches in low- or moderate-income tracts. The bank also operates three ATMSs in the assessment area with all located in upper-income tracts.

Branch Distribution by Geography Income Level Miami MD Assessment Area						
Tract Income Level	Census Tracts		Population		Branches	
	#	%	#	%	#	%
Low	30	5.8	145,206	5.5	0	0.0
Moderate	144	27.7	782,478	29.7	0	0.0
Middle	150	28.9	815,663	30.9	0	0.0
Upper	177	34.1	876,124	33.2	4	100.0
NA	18	3.5	19,571	0.7	0	0.0
Total	519	100.0	2,639,042	100.0	4	100.0
<i>Source: 2015 ACS Data and Bank Data</i>						

Changes in Branch Locations

To the extent changes have been made, the institution’s opening and closing of branches has not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and/or to low- and moderate-income individuals. Since the previous evaluation, the bank opened four branches through merger activity located in upper-income tracts. Subsequently, the bank closed one of the acquired branches.

Community Development Services

First-Citizens Bank provided an adequate level of community development services in the assessment area. Bank employees and Board members provided nine instances for 92 hours of community development service. These services equate to 0.8 instances and 7.7 hours of community development service per branch per year. This performance accounts for 0.4 percent of the bank-wide community development services and 8.4 percent of state-wide community development services by number of hours. The level of community development services is below the percentage of branches within the assessment area at 0.8 percent bank-wide and 14.8 percent state-wide. The bank engaged in six instances of community development service at the previous evaluation. The majority of services were to non-profit agencies by providing financial education to businesses or low- and moderate-income individuals. The following is an example of a community development service provided.

- an employee, in three instances, served on the Loan Committee of a CDFI that supports minority businesses through loan programs, scholarships, and technical assistance.

TAMPA MSA ASSESSMENT AREA – Full-Scope Review

DESCRIPTION OF INSTITUTION’S OPERATIONS IN THE TAMPA MSA ASSESSMENT AREA

The Tampa-St. Petersburg-Clearwater, FL MSA includes four counties; however, the bank only delineated Hillsborough and Pinellas Counties as the Tampa MSA assessment area. There have been no changes to the assessment area since the last evaluation. The bank operates seven or 25.9 percent of its Florida branch offices in the Tampa MSA assessment area. The assessment area represents 11.0 percent of the state-wide loans by dollar volume, 13.5 percent of state-wide loans by number, and 16.2 percent of state-wide deposits.

Economic and Demographic Data

The assessment area consists of 567 census tracts, including 40 low-income tracts, 114 moderate-income tracts, 207 middle-income tracts, and 191 upper-income tracts. Fifteen tracts have no income designation. The following table presents demographic information from the 2015 ACS Census and 2020 D&B data.

Demographic Information for the Tampa MSA Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	567	7.1	20.1	36.5	33.7	2.6
Population by Geography	2,234,361	5.8	20.0	38.2	35.6	0.5
Housing Units by Geography	1,052,682	5.6	19.9	39.6	34.7	0.2
Owner-Occupied Units by Geography	545,133	2.5	16.0	39.5	42.0	0.1
Occupied Rental Units by Geography	343,598	10.0	25.4	39.6	24.6	0.4
Vacant Units by Geography	163,951	6.4	21.4	40.2	31.9	0.2
Businesses by Geography	316,949	4.9	17.5	34.2	43.0	0.4
Farms by Geography	6,568	4.2	18.2	39.6	37.8	0.2
Family Distribution by Income Level	531,900	21.2	17.0	18.4	43.4	0.0
Household Distribution by Income Level	888,731	23.7	15.8	17.1	43.4	0.0
Median Family Income Tampa-St. Petersburg-Clearwater, FL MSA		\$58,916	Median Housing Value			\$166,481
			Median Gross Rent			\$988
			Families Below Poverty Level			11.5%
<i>Source: 2015 ACS and 2020 D&B Data</i> <i>Due to rounding, totals may not equal 100.0 percent.</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

The Geographic Distribution criterion compares home mortgage loans to the distribution of owner-occupied housing units and compares small business loans to the percentage of businesses located in low-, moderate-, middle-, and upper-income tracts. The 2015 ACS data shows a majority of

owner-occupied housing units and businesses are within the middle- and upper-income tracts, indicating most of the lending opportunities will be in these geographies. The moderate-income tracts contain a fair level of owner-occupied housing units and businesses, while significantly fewer opportunities are indicated in the low-income tracts.

The FFIEC updated Tampa-St. Petersburg-Clearwater, FL MSA MFIs were used to analyze home mortgage loans under the Borrower Profile criterion. The following table presents each income category.

Tampa MSA – Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
2019 (\$66,900)	<\$33,450	\$33,450 to <\$53,520	\$53,520 to <\$80,280	≥\$80,280
2020 (\$69,200)	<\$34,600	\$34,600 to <\$55,360	\$55,360 to <\$83,040	≥\$83,040
2021 (\$72,700)	<\$36,350	\$36,350 to <\$58,160	\$58,160 to <\$87,240	≥\$87,240
<i>Source: FFIEC</i>				

The analysis of home mortgage lending by borrower income uses families by income level as a comparison to bank performance. The median housing value is over \$166,000 and prices are continuing to rise due to the current economic conditions, which can potentially make housing increasingly unaffordable for low-income individuals. Therefore, lending opportunities to low-income families may be somewhat limited.

The analysis of small business loans under the Borrower Profile criterion compares the distribution of small business lending by gross annual revenue. The D&B 2020 distribution of businesses based on gross annual revenues is listed below.

- 90.8 percent reported \$1 million or less;
- 3.1 percent reported more than \$1 million; and
- 6.0 percent did not report revenues.

In 2020, the top industries were Education and Health Services; Professional and Business Services; and, Leisure and Hospitality Services. Additionally, approximately 92.9 percent of businesses operate with nine or fewer employees. The top employers were BayCare Health System; Publix Super Markets, Inc.; Hillsborough County School District; HCA West Florida Division; and MacDill Air Force Base.

The 2020 unemployment rates increased sharply due to the COVID-19 pandemic. The 2021 rates dropped sharply in the assessment area but remain above the pre-pandemic rates. Unemployment rates in the assessment area were generally below the state unemployment rate and the national average.

Unemployment Rates			
Area	2019	2020	2021
	%	%	%
Hillsborough County	3.2	7.8	4.3
Pinellas County	3.1	7.7	4.1
Florida	3.2	8.3	4.6
National Average	3.7	8.1	5.2
<i>Source: Bureau of Labor Statistics</i>			

Competition

The assessment area is highly competitive. According to the FDIC Deposit Market Share data as of June 30, 2021, 52 FDIC-insured institutions operate 522 branches within the assessment area. Of these institutions, First-Citizens Bank ranked 29th with a market share of 0.1 percent. Competitor institutions in the assessment area include Raymond James Bank; Bank of America, NA; and Truist Bank. Together, the three competitor institutions account for 53.1 percent of the market share.

There is a high level of competition for home mortgage loans among banks, credit unions, and non-depository mortgage lenders. Aggregate data for 2020 shows 1,042 lenders reported 128,176 residential mortgage loans originated or purchased indicating high competition. First-Citizens Bank ranked 282nd with a market share of less than 0.1 percent. The five dominant home mortgage lenders accounted for 23.3 percent of total market share by number.

In addition, there is a high level of competition for business loans within the assessment area. Aggregate data for 2020 shows 280 lenders reported 82,020 small business loans originated or purchased in the assessment area. Overall, First-Citizens Bank ranked 35th with 0.3 percent market share by number of loans and 28th with 0.6 percent market share by dollar volume. The five dominant small business lenders accounted for 52.0 percent of the total market share by number.

Community Contact

As part of the CRA evaluation process, examiners contact third parties active in the assessment area to assist in identifying the credit and community development needs. This information helps determine whether local financial institutions are responsive to these needs. It also shows what credit and community development opportunities are available. Examiners referenced one recent community contact within the Tampa MSA assessment area.

The contact was an economic development organization that is familiar with the city of Tampa. The contact noted growing business sectors in the Tampa area include job gains in professional and business services; leisure and hospitality; trade, transportation, and utilities; and education and health services. Additionally, weaknesses in the economy include job losses in the government sector and slow growth in manufacturing. The contact noted that banks have the opportunity to support small businesses through small business loans. In addition, there are multiple opportunity zones where banks may help with economic development in distressed communities through affordable housing and job creation. Lastly, banks may assist with financial planning for developers and start-up business who are coming to Tampa and need funds to fill financial gaps.

Credit and Community Development Needs and Opportunities

Considering information from the community contact and economic and demographic data, examiners determined the primary needs and opportunities in the assessment area are home mortgage and small business loans. In particular, the need for affordable housing for low- and moderate-income families is evident as housing prices have continued to rise. The percentage of families in the low- and moderate-income categories and 11.5 percent of families below the poverty level support this conclusion. Examiners also determined the need for small business loans, which is based on the high number of businesses with four or fewer employees and a majority of businesses reporting gross annual revenues of \$1 million or less.

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE TAMPA MSA ASSESSMENT AREA

LENDING TEST

Lending levels in the Tampa MSA assessment area reflect adequate responsiveness to assessment area credit needs. The geographic distribution reflects excellent penetration throughout the assessment area, and the borrower profile reflects good distribution of loans among business of different sizes and borrowers of different income levels. The institution uses innovative and/or flexible lending practices and originated an adequate level of community development loans.

Lending Activity

Lending levels reflect adequate responsiveness to the assessment area's credit needs. The tables presented below detail the number and dollar volume of 2020 small business and home mortgage loans in this assessment area.

Geographic Distribution

The geographic distribution of loans is excellent and is predicated on the small business lending performance as the home mortgage lending is poor and received limited weight in the overall analysis due to limited volume.

Small Business Loans

The geographic distribution of small business loans reflects excellent penetration throughout the assessment area. Lending in low-income tracts was double aggregate lending and demographic data. Lending in moderate-income tracts was well above demographic and aggregate lending data.

Geographic Distribution of Small Business Loans Tampa MSA Assessment Area						
Tract Income Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
Low	4.9	5.6	30	11.0	5,183	15.2
Moderate	17.5	18.1	70	25.7	8,355	24.5
Middle	34.2	34.3	65	23.9	8,665	25.4
Upper	43.0	41.7	107	39.3	11,934	35.0
Not Available	0.4	0.3	0	0.0	0	0.0
Totals	100.0	100.0	272	100.0	34,137	100.0
<i>Source: 2015 ACS; 2020 CRA Data; and, 2020 CRA Aggregate Data. Due to rounding, totals may not equal 100.0 percent.</i>						

Home Mortgage Loans

The geographic distribution of home mortgage loans is poor. The bank did not originate any home mortgage loans in low- or moderate-income tracts in 2020. However, aggregate and demographic data in the low-income tracts is minimal indicating limited lending opportunity.

Geographic Distribution of Home Mortgage Loans Tampa MSA Assessment Area						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low	2.5	2.1	0	0.0	0	0.0
Moderate	16.0	12.7	0	0.0	0	0.0
Middle	39.5	35.7	6	24.0	2,399	21.1
Upper	42.0	49.4	19	76.0	8,973	78.9
Not Available	0.1	0.1	0	0.0	0	0.0
Totals	100.0	100.0	25	100.0	11,372	100.0
<i>Source: 2015 ACS; 2020 HMDA Data; and, 2020 HMDA Aggregate Data. Due to rounding, totals may not equal 100.0 percent.</i>						

Borrower Profile

The distribution of small business loans to businesses of different sizes and home mortgage loans to borrowers of different incomes is good and is predicated on the small business lending performance. Home mortgage lending is adequate and received limited weight in the overall analysis.

Small Business Loans

The distribution of small business loans reflects good penetration to businesses with gross annual revenues of \$1 million or less. Lending to small businesses was significantly below demographic data but slightly above aggregate lending.

Distribution of Small Business Loans by Gross Annual Revenue Category Tampa MSA Assessment Area						
Gross Revenue Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
<=\$1,000,000	90.8	40.8	113	41.5	11,714	34.3
>\$1,000,000	3.1	--	65	23.9	13,532	39.6
Revenue Not Available	6.0	--	94	34.6	8,891	26.0
Totals	100.0	100.0	272	100.0	34,137	100.0

Source: 2020 D&B Data; 2020 CRA Data; and, 2020 CRA Aggregate Data.
 "--" data not available.
 Due to rounding, totals may not equal 100.0 percent.

Home Mortgage Loans

The distribution of home mortgage loans reflects adequate penetration among borrowers of different incomes. The bank did not originate any home mortgage loans to low-income borrowers. However, the low percent of aggregate lending data indicates limited opportunities may exist. Lending to moderate-income borrowers was also significantly lower than both the demographic and aggregate lending data. However, in 2019, lending to moderate-income borrowers was significantly higher at 11.1 percent and was just below the aggregate data of 14.8 percent. In 2021, lending to moderate-income borrowers stood at 9.1 percent which was more than double the 2020 level; although, still well below the demographic data.

Distribution of Home Mortgage Loans by Borrower Income Tampa MSA Assessment Area						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low	21.2	3.0	0	0.0	0	0.0
Moderate	17.0	13.4	1	4.0	50	0.4
Middle	18.4	18.7	3	12.0	781	6.9
Upper	43.4	44.8	20	80.0	10,231	90.0
Not Available	0.0	20.1	1	4.0	310	2.7
Totals	100.0	100.0	25	100.0	11,372	100.0

Source: 2015 ACS; 2020 HMDA Data; and, 2020 HMDA Aggregate Data.

Community Development Loans

First-Citizens Bank has made a low level of community development loans in the Tampa MSA assessment area. The bank originated six community development loans totaling \$1.3 million. This amount represents 13.3 percent by number and 2.6 percent by dollar volume of community development loans originated within Florida. Regarding the community development purpose, one loan supports affordable housing, four loans support community service, and one loan supports revitalization or stabilization. Examples of community development loans follow.

- \$1.0 million loan to construct a medical office building in a moderate-income census tract, which will provide new jobs.
- Two \$50,000 loans to a CDFI that provides community services targeted to low- and moderate-income individuals.

INVESTMENT TEST

First-Citizens Bank has a significant level of qualified investments in the assessment area. The bank exhibits good responsiveness to credit and community development needs and occasionally uses innovative and/or complex investments to support community development initiatives.

Investment and Grant Activity

The bank has a significant level of qualified investments in the Tampa MSA assessment area. Qualified investments total \$12.2 million or 15.4 percent of Florida qualified investments. Investments include \$12.2 million in a nationwide GNMA MBS investment supporting affordable housing projects in the assessment area. Further, the bank made 24 donation or grant contributions totaling \$20,000. Of these contributions, \$1,750 benefited affordable housing, \$15,750 benefited community services, and \$2,500 benefited economic development. Provided below are examples of donations that benefited the assessment area.

- \$2,500 to an organization that promotes economic development.
- \$5,000 to an organization that provides community services to low- and moderate-income individuals.

SERVICE TEST

First-Citizens Bank's delivery systems are accessible to essentially all portions of the Tampa MSA assessment area. The institution's opening and closing of branches has generally not adversely affected the accessibility of its delivery systems. Services and business hours do not vary in a way that inconveniences certain portions of the assessment area, particularly low- and moderate-income geographies, or individuals. The bank provided a relatively high level of community development services.

Accessibility of Delivery Systems

Delivery systems are accessible to essentially all portions of the assessment area. The conclusion regarding the accessibility of delivery systems for the assessment area is consistent with the institution overall and more favorable than the Florida rated area. The bank operates seven branches in the assessment area, representing 25.9 percent of branches in Florida. The bank operates no branches in low-income tracts; however, the population level within the low-income tracts is low at 5.8 percent. The bank has one branch in a moderate-income tract, and branching is below the population percentage. The bank operates four ATMs in the assessment area with two in middle-income tracts and two in upper-income tracts. However, the locations of the bank's branches enable the bank to reasonably serve low-and moderate-income tracts where the bank has no or few branches.

Branch Distribution by Geography Income Level Tampa MSA Assessment Area						
Tract Income Level	Census Tracts		Population		Branches	
	#	%	#	%	#	%
Low	40	7.1	129,322	5.8	0	0.0
Moderate	114	20.1	447,059	20.0	1	14.3
Middle	207	36.5	852,748	38.2	3	42.9
Upper	191	33.7	794,752	35.6	3	42.9
NA	15	2.6	10,480	0.5	0	0.0
Total	567	100.0	2,234,361	100.0	7	100.0
<i>Source: 2015 ACS Data and Bank Data Due to rounding, totals may not add to 100 percent.</i>						

Changes in Branch Locations

To the extent changes have been made, the institution’s opening and closing of branches has generally not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and/or to low- and moderate-income individuals. Since the previous evaluation, the bank opened three branches and closed four branches in the assessment area. The bank closed a branch in a moderate-income tract due to the opening of a new branch located approximately 3.0 miles away in a middle-income tract. This branch can reasonably serve the low- and moderate-income geographies and individuals affected by the moderate-income branch closure. Additionally, the bank opened one branch in a middle-income tract and closed one branch within the same middle-income tract due to the close proximity of the newly opened branch, located approximately 1.1 miles away. The other branch opening was located in an upper-income tract. Additionally, the other two branch closures were for branches in upper-income tracts.

Community Development Services

First-Citizens Bank provided a relatively high level of community development services in the assessment area. Bank employees and Board members provided 23 instances for 380 hours of community development service. These services equate to 1.1 instances and 18.1 hours of community development service per branch per year. This performance accounts for 1.5 percent of the bank-wide community development services and 34.8 percent of state-wide community development services by number of hours. The level of community development services is similar to the percentage of bank-wide branches within the assessment area at 1.3 percent and higher than the state-wide branches at 25.9 percent. The following are examples of community development services provided.

- An employee is on the Board of Directors for a health clinic that provides healthcare to those without health insurance and that do not qualify for government-funded programs.
- An employee is on the Board of Directors for a local Community Development Corporation that provides youth programs, adult education, affordable housing, and workforce and resource assistance.
- An employee serves on the Board of Directors of a local non-profit organization that is a small business incubator that works with small business owners to provide long-term business sustainability.

OTHER ASSESSMENT AREAS – Limited-Scope Review

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE LIMITED-SCOPE ASSESSMENT AREAS

The following table summarizes the conclusions for the seven Florida assessment areas reviewed using limited-scope examination procedures. Conclusions regarding the institution’s CRA performance within the limited-scope areas were derived from reviewing available facts and data, including performance data, aggregate lending data comparisons, and demographic information. The conclusions did not alter the bank’s overall performance rating.

Assessment Area	Lending Test	Investment Test	Service Test
West Palm Beach MD	Below	Consistent	Consistent
Fort Lauderdale	Consistent	Below	Below
Cape Coral MSA	Below	Consistent	Consistent
Naples MSA	Below	Below	Consistent
Port St. Lucie MSA	Below	Below	Consistent
North Port MSA	Below	Consistent	Below
Orlando MSA	Below	Below	Consistent

The branch distribution and alternative delivery systems for the limited-scope assessment areas are generally less favorable than the overall institution. Additionally, the service hours, loan and deposit products, services, and branch hours do not inconvenience low- and moderate-income individuals or areas.

A summary of First-Citizens Bank’s operations and activities for limited-scope areas, as well as geographic distribution and borrower profile data for 2020 are presented below. Demographic data and market share information for the limited-scope assessment areas are detailed in the Appendices.

West Palm Beach MD Assessment Area

The West Palm Beach MD assessment area is comprised of Palm Beach County, which represents the entire West Palm Beach-Boca Raton-Boynton Beach, FL MD. First-Citizens Bank operates two branches in this assessment area, which accounts for 7.4 percent of state-wide branches. In addition, the assessment area accounts for 15.2 percent of state-wide lending by dollar volume, 16.9 percent of state-wide loans by number, and 10.2 percent of state-wide deposits. The following activities occurred in the assessment area during the review period.

Activity	#	\$(000s)
Home Mortgage Loans	57	19,294
Small Business Loans	742	114,537
Community Development Loans	8	2,298
Investments (New)	2	13,800*
Investments (Prior Period)	1	139**
Donations	12	5
Community Development Services	10	13 hours
<i>Small business and home mortgage lending volumes are based on the combined 2019, 2020, and 2021 lending data, while the community development loans, qualified investments, and community development services are from previous evaluation through December 31, 2021. Qualified investments also include those from prior periods that remain outstanding.</i> <i>* The bank invested in a nationwide GNMA MBS supporting affordable housing projects, of which \$13.8 million benefited the West Palm Beach MD assessment area.</i> <i>** \$138,824 in one prior period SBA pool contributed to economic development by supporting small businesses in the assessment area.</i>		

Geographic Distribution and Borrower Profile

Geographic Distribution of Home Mortgage Loans West Palm Beach MD Assessment Area						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low	3.1	2.3	0	0.0	0	0.0
Moderate	23.3	18.3	1	6.7	190	4.1
Middle	32.7	34.1	4	26.7	315	6.9
Upper	40.6	45.2	10	66.7	4,092	89.0
Not Available	0.2	0.2	0	0.0	0	0.0
Totals	100.0	100.0	15	100.0	4,597	100.0
<i>Source: 2015 ACS; 2020 HMDA Data; and, 2020 HMDA Aggregate Data. Due to rounding, totals may not equal 100.0 percent.</i>						

Geographic Distribution of Small Business Loans West Palm Beach MD Assessment Area						
Tract Income Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
Low	5.2	5.9	26	7.7	3,720	6.6
Moderate	21.0	21.8	65	19.2	15,234	26.9
Middle	29.3	28.5	125	36.9	20,872	36.8
Upper	43.9	43.2	123	36.3	16,907	29.8
Not Available	0.6	0.6	0	0.0	0	0.0
Totals	100.0	100.0	339	100.0	56,733	100.0

*Source: 2015 ACS; 2020 CRA Data; and, 2020 CRA Aggregate Data.
Due to rounding, totals may not equal 100.0 percent.*

Distribution of Home Mortgage Loans by Borrower Income Level West Palm Beach MD Assessment Area						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low	22.8	3.2	0	0.0	0	0.0
Moderate	17.3	14.1	1	6.7	150	3.3
Middle	17.8	19.1	1	6.7	60	1.3
Upper	42.1	47.5	11	73.3	4,010	87.2
Not Available	0.0	16.1	2	13.3	378	8.2
Totals	100.0	100.0	15	100.0	4,597	100.0

Source: 2015 ACS; 2020 HMDA Data; and, 2020 HMDA Aggregate Data.

Distribution of Small Business Loans by Gross Annual Revenue Category West Palm Beach MD Assessment Area						
Gross Revenue Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
<=\$1,000,000	92.5	41.6	64	18.9	13,789	24.3
>\$1,000,000	2.7	--	47	13.9	11,602	20.5
Revenue Not Available	4.8	--	228	67.3	31,342	55.2
Totals	100.0	100.0	339	100.0	56,733	100.0

*Source: 2020 D&B Data; 2020 CRA Data; and, 2020 CRA Aggregate Data.
"--" data not available.
Due to rounding, totals may not equal 100.0 percent.*

Fort Lauderdale MD Assessment Area

The Fort Lauderdale MD assessment area is comprised of Broward County, which represents the entire Fort Lauderdale-Pompano Beach-Sunrise, FL MD. First-Citizens Bank operates two branches in this assessment area, which accounts for 7.4 percent of state-wide branches. In addition, the assessment area accounts for 11.9 percent of state-wide lending and 6.8 percent of state-wide deposits. The following activities occurred in the assessment area during the review period.

Activity	#	\$(000s)
Home Mortgage Loans	41	16,577
Small Business Loans	537	88,130
Community Development Loans	5	14,750
Investments (New)	--	--
Investments (Prior Period)	4	1,007*
Donations	9	9
Community Development Services	6	23 hours
<i>Small business and home mortgage lending volumes are based on the combined 2019, 2020, and 2021 lending data, while the community development loans, qualified investments, and community development services are from previous evaluation through December 31, 2021. Qualified investments also include those from prior periods that remain outstanding.</i> <i>* Prior period investments consisted of a certificate of deposit at an MDI located in the assessment area totaling \$250,000. Additional prior period investments consisted of 3 SBA pools totaling \$757,202 supporting economic development in the Fort Lauderdale MD assessment area.</i>		

Geographic Distribution and Borrower Profile

Geographic Distribution of Home Mortgage Loans Fort Lauderdale MD Assessment Area						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low	2.8	2.0	0	0.0	0	0.0
Moderate	24.8	19.3	0	0.0	0	0.0
Middle	34.0	32.9	3	30.0	672	16.5
Upper	38.4	45.8	7	70.0	3,396	83.5
Not Available	0.0	0.0	0	0.0	0	0.0
Totals	100.0	100.0	10	100.0	4,068	100.0
<i>Source: 2015 ACS; 2020 HMDA Data; and, 2020 HMDA Aggregate Data.</i>						

Geographic Distribution of Small Business Loans Fort Lauderdale MD Assessment Area						
Tract Income Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
Low	4.9	6.0	17	6.9	2,247	6.0
Moderate	23.9	24.1	35	14.2	6,284	16.8
Middle	30.6	29.4	88	35.8	12,810	34.2
Upper	40.7	40.5	106	43.1	16,064	42.9
Not Available	0.0	0.0	0	0.0	0	0.0
Totals	100.0	100.0	246	100.0	37,405	100.0

*Source: 2015 ACS; 2020 CRA Data; and, 2020 CRA Aggregate Data.
Due to rounding, totals may not equal 100.0 percent.*

Distribution of Home Mortgage Loans by Borrower Income Level Fort Lauderdale MD Assessment Area						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low	22.3	2.4	0	0.0	0	0.0
Moderate	17.3	11.5	0	0.0	0	0.0
Middle	18.7	20.0	1	10.0	75	1.8
Upper	41.7	48.5	6	60.0	2,946	72.4
Not Available	0.0	17.6	3	30.0	1,047	25.7
Totals	100.0	100.0	10	100.0	4,068	100.0

*Source: 2015 ACS; 2020 HMDA Data; and, 2020 HMDA Aggregate Data.
Due to rounding, totals may not equal 100.0 percent.*

Distribution of Small Business Loans by Gross Annual Revenue Category Fort Lauderdale MD Assessment Area						
Gross Revenue Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
<=\$1,000,000	92.8	40.3	49	19.9	8,801	23.5
>\$1,000,000	2.7	--	37	15.0	8,149	21.8
Revenue Not Available	4.5	--	160	65.0	20,455	54.7
Totals	100.0	100.0	246	100.0	37,405	100.0

*Source: 2020 D&B Data; 2020 CRA Data; and, 2020 CRA Aggregate Data.
"--" data not available.
Due to rounding, totals may not equal 100.0 percent.*

Cape Coral MSA Assessment Area

The Cape Coral MSA assessment area is comprised of Lee County, which represents the entire Cape Coral-Fort Myers, FL MSA. First-Citizens Bank operates two branches in this assessment area, which accounts for 7.4 percent of state-wide branches. In addition, the assessment area accounts for 8.5 percent of state-wide lending and 5.2 percent of state-wide deposits. The following activities occurred in the assessment area during the review period.

Activity	#	\$(000s)
Home Mortgage Loans	31	12,725
Small Business Loans	324	62,116
Community Development Loans	8	7,214
Investments (New)	1	7,800*
Investments (Prior Period)	1	94**
Donations	5	10
Community Development Services	9	149 hours
<i>Small business and home mortgage lending volumes are based on the combined 2019, 2020, and 2021 lending data, while the community development loans, qualified investments, and community development services are from previous evaluation through December 31, 2021. Qualified investments also include those from prior periods that remain outstanding.</i>		
<i>* The bank invested in a nationwide GNMA MBS supporting affordable housing projects, of which \$7.8 million benefited the Cape Coral MSA assessment area.</i>		
<i>** The bank invested \$93,598 in a prior period SBA pool supporting economic development, which benefited the Cape MSA assessment area.</i>		

Geographic Distribution and Borrower Profile

Geographic Distribution of Home Mortgage Loans Cape Coral MSA Assessment Area						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low	2.1	1.5	0	0.0	0	0.0
Moderate	18.6	17.8	0	0.0	0	0.0
Middle	44.2	43.8	5	45.5	596	25.4
Upper	35.1	36.7	6	54.5	1,749	74.6
Not Available	0.0	0.1	0	0.0	0	0.0
Totals	100.0	100.0	11	100.0	2,345	100.0
<i>Source: 2015 ACS; 2020 HMDA Data; and, 2020 HMDA Aggregate Data. Due to rounding, totals may not equal 100.0 percent.</i>						

Geographic Distribution of Small Business Loans Cape Coral MSA Assessment Area						
Tract Income Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
Low	2.7	2.5	2	1.2	72	0.3
Moderate	22.6	22.9	36	22.4	6,315	25.7
Middle	40.1	39.6	53	32.9	8,644	35.2
Upper	34.4	35.0	70	43.5	9,515	38.8
Not Available	0.2	0.0	0	0.0	0	0.0
Totals	100.0	100.0	161	100.0	24,546	100.0

Source: 2015 ACS; 2020 CRA Data; and, 2020 CRA Aggregate Data.

Distribution of Home Mortgage Loans by Borrower Income Level Cape Coral MSA Assessment Area						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low	20.7	3.6	0	0.0	0	0.0
Moderate	18.5	14.8	0	0.0	0	0.0
Middle	19.7	19.9	3	27.3	272	11.6
Upper	41.1	44.1	8	72.7	2,073	88.4
Not Available	0.0	17.6	0	0.0	0	0.0
Totals	100.0	100.0	11	100.0	2,345	100.0

Source: 2015 ACS; 2020 HMDA Data; and, 2020 HMDA Aggregate Data.

Distribution of Small Business Loans by Gross Annual Revenue Category Fort Lauderdale MD Assessment Area						
Gross Revenue Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
<=\$1,000,000	91.8	40.5	32	19.9	4,490	18.3
>\$1,000,000	2.7	--	34	21.1	7,460	30.4
Revenue Not Available	5.8	--	95	59.0	12,596	51.3
Totals	100.0	100.0	161	100.0	24,546	100.0

*Source: 2020 D&B Data; 2020 CRA Data; and, 2020 CRA Aggregate Data.
"--" data not available.
Due to rounding, totals may not equal 100.0 percent.*

Naples MSA Assessment Area

The Naples MSA assessment area is comprised of Collier County, which represents the entire Naples-Marco Island, FL MSA. First-Citizens Bank operates two branches in this assessment area, which accounts for 7.4 percent of state-wide branches. In addition, the assessment area accounts for 5.5 percent of state-wide lending and 4.7 percent of state-wide deposits. The following activities occurred in the assessment area during the review period.

Activity	#	\$(000s)
Home Mortgage Loans	40	13,781
Small Business Loans	257	34,847
Community Development Loans	4	480
Investments (New)	--	--
Investments (Prior Period)	--	--
Donations	8	7
Community Development Services	15	151 hours
<i>Small business and home mortgage lending volumes are based on the combined 2019, 2020, and 2021 lending data, while the community development loans, qualified investments, and community development services are from previous evaluation through December 31, 2021. Qualified investments also include those from prior periods that remain outstanding.</i>		

Geographic Distribution and Borrower Profile

Geographic Distribution of Home Mortgage Loans Naples MSA Assessment Area						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low	2.3	1.1	0	0.0	0	0.0
Moderate	16.3	13.8	1	7.7	200	3.2
Middle	41.3	42.7	8	61.5	4,106	65.4
Upper	40.1	42.5	4	30.8	1,970	31.4
Totals	100.0	100.0	13	100.0	6,276	100.0
<i>Source: 2015 ACS; 2020 HMDA Data; and, 2020 HMDA Aggregate Data. Due to rounding, totals may not equal 100.0 percent.</i>						

Geographic Distribution of Small Business Loans Naples MSA Assessment Area						
Tract Income Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
Low	2.7	2.8	2	1.4	115	0.6
Moderate	13.6	11.0	9	6.5	920	5.1
Middle	38.2	40.2	49	35.5	6,606	36.4
Upper	45.6	45.9	78	56.5	10,484	57.8
Totals	100.0	100.0	138	100.0	18,125	100.0

*Source: 2020 D&B Data; Bank Data; 2020 CRA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0%*

Distribution of Home Mortgage Loans by Borrower Income Level Naples MSA Assessment Area						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low	20.8	3.2	0	0.0	0	0.0
Moderate	17.7	13.4	0	0.0	0	0.0
Middle	19.3	17.7	0	0.0	0	0.0
Upper	42.2	52.9	13	100.0	6,276	100.0
Not Available	0.0	12.9	0	0.0	0	0.0
Totals	100.0	100.0	13	100.0	6,276	100.0

*Source: 2015 ACS; 2020 HMDA Data; and, 2020 HMDA Aggregate Data.
Due to rounding, totals may not equal 100.0 percent.*

Distribution of Small Business Loans by Gross Annual Revenue Category Naples MSA Assessment Area						
Gross Revenue Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
2020	92.4	39.5	35	25.4	2,628	14.5
2020	2.7	--	38	27.5	7,381	40.7
2020	5.0	--	65	47.1	8,116	44.8
2020	100.0	100.0	138	100.0	18,125	100.0

*Source: 2020 D&B Data; 2020 CRA Data; and, 2020 CRA Aggregate Data.
"--" data not available.
Due to rounding, totals may not equal 100.0 percent.*

Port St. Lucie MSA Assessment Area

The Port St. Lucie, FL MSA is comprised of Martin and St. Lucie Counties; however, the bank delineated only Martin County as the Port St. Lucie assessment area. First-Citizens Bank operates one branch in this assessment area, which accounts for 3.7 percent of state-wide branches. In addition, the assessment area accounts for 3.5 percent of state-wide lending and 2.0 percent of state-wide deposits. The following activities occurred in the assessment area during the review period.

Activity	#	\$(000s)
Home Mortgage Loans	25	10,898
Small Business Loans	118	19,567
Community Development Loans	1	45
Investments (New)	--	--
Investments (Prior Period)	--	--
Donations	4	4
Community Development Services	3	3 hours
<i>Small business and home mortgage lending volumes are based on the combined 2019, 2020, and 2021 lending data, while the community development loans, qualified investments, and community development services are from previous evaluation through December 31, 2021. Qualified investments also include those from prior periods that remain outstanding.</i>		

Geographic Distribution and Borrower Profile

Geographic Distribution of Small Business Loans Port St. Lucie MSA Assessment Area						
Tract Income Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
Moderate	15.0	18.8	8	14.0	1,621	16.4
Middle	35.1	33.2	35	61.4	5,974	60.3
Upper	49.9	48.0	14	24.6	2,305	23.3
Totals	100.0	100.0	57	100.0	9,900	100.0
<i>Source: 2015 ACS; 2020 CRA Data; and, 2020 CRA Aggregate Data.</i>						

Distribution of Small Business Loans by Gross Annual Revenue Category Port St. Lucie MSA Assessment Area						
Gross Revenue Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
<=\$1,000,000	91.1	43.3	9	15.8	1,148	11.6
>\$1,000,000	3.0	--	14	24.6	5,368	54.2
Revenue Not Available	5.8	--	34	59.6	3,384	34.2
Totals	100.0	100.0	57	100.0	9,900	100.0
<i>Source: 2020 D&B Data; 2020 CRA Data; and, 2020 CRA Aggregate Data. "--" data not available. Due to rounding, totals may not equal 100.0 percent.</i>						

North Port-Sarasota-Bradenton MSA Assessment Area

The North Port MSA assessment area is comprised of Manatee and Sarasota Counties, which consists of the entire North Port-Sarasota-Bradenton MSA. First-Citizens Bank operates one branch in this assessment area, which accounts for 3.7 percent of state-wide branches. In addition, the assessment area accounts for 2.4 percent of state-wide lending and 1.5 percent of state-wide deposits. The following activities occurred in the assessment area during the review period.

Activity	#	\$(000s)
Home Mortgage Loans	18	6,779
Small Business Loans	76	14,726
Community Development Loans	--	--
Investments (New)	1	1,280*
Investments (Prior Period)	2	4,405**
Donations	4	3
Community Development Services	6	10 hours
<p><i>Small business and home mortgage lending volumes are based on the combined 2019, 2020, and 2021 lending data, while the community development loans, qualified investments, and community development services are from previous evaluation through December 31, 2021. Qualified investments also include those from prior periods that remain outstanding.</i></p> <p><i>* The bank invested in a nationwide based GNMA MBS supporting affordable housing, of which approximately \$1.3 million benefited the North Port MSA assessment area.</i></p> <p><i>** The bank invested in one regionally-based and one nationwide based GNMA MBS supporting affordable housing projects in the prior period, of which \$2.7 million benefited the North Port MSA assessment area. Additionally, in the prior period, the bank invested in a nationwide GNMA MBS supporting affordable housing projects, of which \$1.7 million benefited the assessment area.</i></p>		

Geographic Distribution and Borrower Profile

Geographic Distribution of Small Business Loans North Port MSA Assessment Area						
Tract Income Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
Low	1.4	1.2	0	0.0	0	0.0
Moderate	19.4	18.0	15	46.9	3,291	43.7
Middle	44.3	43.2	6	18.8	1,851	24.6
Upper	35.0	37.6	11	34.4	2,393	31.8
Totals	100.0	100.0	32	100.0	7,535	100.0
<p><i>Source: 2015 ACS; 2020 CRA Data; and, 2020 CRA Aggregate Data.</i></p> <p><i>Due to rounding, totals may not equal 100.0 percent.</i></p>						

Distribution of Small Business Loans by Gross Annual Revenue Category						
North Port MSA Assessment Area						
Gross Revenue Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
<=\$1,000,000	91.7	43.6	10	31.3	1,033	13.7
>\$1,000,000	2.8	--	11	34.4	3,723	49.4
Revenue Not Available	5.4	--	11	34.4	2,779	36.9
Totals	100.0	100.0	32	100.0	7,535	100.0
<i>Source: 2020 D&B Data; 2020 CRA Data; and, 2020 CRA Aggregate Data. "--" data not available. Due to rounding, totals may not equal 100.0 percent.</i>						

Orlando-Kissimmee-Sanford MSA Assessment Area

The Orlando-Kissimmee-Sanford, FL MSA is comprised of Lake, Orange, Osceola, and Seminole Counties; however, the bank delineated Orange and Seminole Counties as the Orlando MSA assessment area. First-Citizens Bank operates two branches in this assessment area, which accounts for 7.4 percent of state-wide branches. In addition, the assessment area accounts for 4.5 percent of state-wide lending and 4.1 percent of state-wide deposits. The following activities occurred in the assessment area during the review period.

Activity	#	\$(000s)
Home Mortgage Loans	37	16,999
Small Business Loans	129	22,623
Community Development Loans	2	172
Investments (New)	1	643*
Investments (Prior Period)	--	--
Donations	4	2
Community Development Services	2	12 hours
<i>Small business and home mortgage lending volumes are based on the combined 2019, 2020, and 2021 lending data, while the community development loans, qualified investments, and community development services are from previous evaluation through December 31, 2021. Qualified investments also include those from prior periods that remain outstanding.</i> <i>* The bank invested in a nationwide GNMA MBS supporting affordable housing projects, of which \$642,942 benefited the Orlando MSA assessment area.</i>		

Geographic Distribution and Borrower Profile

Geographic Distribution of Home Mortgage Loans Orlando MSA Assessment Area						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low	1.1	0.6	0	0.0	0	0.0
Moderate	18.3	13.2	0	0.0	0	0.0
Middle	33.6	33.1	2	16.7	527	8.2
Upper	47.0	53.1	10	83.3	5,886	91.8
Totals	100.0	100.0	12	100.0	6,413	100.0
Source: 2015 ACS; 2020 HMDA Data; and, 2020 HMDA Aggregate Data.						

Geographic Distribution of Small Business Loans Orlando MSA Assessment Area						
Tract Income Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
Low	1.4	1.2	0	0.0	0	0.0
Moderate	22.6	22.0	7	17.9	440	8.3
Middle	32.2	32.4	16	41.0	2,747	51.7
Upper	43.8	44.4	16	41.0	2,131	40.1
Totals	100.0	100.0	39	100.0	5,318	100.0

*Source: 2015 ACS; 2020 CRA Data; and, 2020 CRA Aggregate Data.
Due to rounding, totals may not equal 100.0 percent.*

Distribution of Home Mortgage Loans by Borrower Income Level Orlando MSA Assessment Area						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low	21.1	2.7	0	0.0	0	0.0
Moderate	17.0	11.6	1	8.3	157	2.5
Middle	18.6	18.8	1	8.3	299	4.7
Upper	43.3	49.5	10	83.3	5,957	92.9
Not Available	0.0	17.4	0	0.0	0	0.0
Totals	100.0	100.0	12	100.0	6,413	100.0

*Source: 2015 ACS; 2020 HMDA Data; and, 2020 HMDA Aggregate Data.
Due to rounding, totals may not equal 100.0 percent.*

Distribution of Small Business Loans by Gross Annual Revenue Category Orlando MSA Assessment Area						
Gross Revenue Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
<=\$1,000,000	91.3	41.7	13	33.3	2,497	47.0
>\$1,000,000	2.8	--	7	17.9	1,167	21.9
Revenue Not Available	5.9	--	19	48.7	1,654	31.1
Totals	100.0	100.0	39	100.0	5,318	100.0

*Source: 2020 D&B Data; 2020 CRA Data; and, 2020 CRA Aggregate Data.
"--" data not available.
Due to rounding, totals may not equal 100.0 percent.*

GEORGIA

CRA RATING FOR GEORGIA: SATISFACTORY

The Lending Test is rated: High Satisfactory

The Investment Test is rated: High Satisfactory

The Service Test is rated: Low Satisfactory

DESCRIPTION OF INSTITUTION'S OPERATIONS IN GEORGIA

The evaluation of the Georgia performance considered the operations of First-Citizens Bank in five assessment areas, which are detailed in the Description of Assessment Areas. In December 2019, First-Citizens Bank acquired Entegra Bank, which resulted in the Gainesville MSA assessment area. In addition, the Entegra Bank acquisition involved expansion of the Atlanta MSA assessment area to include Pickens County. The bank operates 24 or 4.7 percent of its branch offices in Georgia. Georgia accounts for 3.6 percent of bank-wide loans by dollar volume, 3.2 percent of bank-wide loans by number, and 4.4 percent of the bank-wide deposits. Overall, First-Citizens Bank ranks 16th in the state in deposit market share at 0.9 percent. Competitor institutions in the assessment areas include Truist Bank; Bank of America, NA; and Wells Fargo Bank, NA. Together, the three competitor institutions account for 65.8 percent of the market share.

SCOPE OF EVALUATION – GEORGIA

Examiners conducted a full-scope review of performance in the Atlanta MSA assessment area. A significant portion of the loans (75.7 percent), deposits (72.4 percent), and branches (62.5 percent) in Georgia are concentrated in the assessment area. As a result, the Atlanta MSA assessment area received significant weighting in the overall analysis, conclusions, and ratings for Georgia. Limited-scope areas included the Athens, Gainesville, Savannah, and GA Non-MSA assessment areas.

Small business and home mortgage loans are the primary products within the Georgia assessment areas with the primary product varying by assessment area. Overall, small business loans represent the largest lending category by number of loans in all assessment areas except the Athens MSA assessment area in which the two products are considered equal. By dollar volume, small business loans constitute the majority of lending in all assessment areas except the Athens MSA assessment area and the GA Non-MSA assessment area for which home mortgage loans are the primary product. Thus, overall small business lending received the most weight, with the exception of the Athens MSA and GA Non-MSA assessment areas. For the full-scope Atlanta MSA assessment area small business loans constitute a significant level of lending at 87.0 percent by number and 77.7 percent by dollar volume; thus, receiving significant weight in the overall assessment area conclusions. Home mortgage loans were also reviewed in all assessment areas with the exception of the Gainesville MSA assessment area as a limited volume was originated in 2020 and 2021. Small farm loans were not included in the analysis due to the nominal number and dollar volume of small farm loans originated.

CONCLUSIONS ON PERFORMANCE CRITERIA IN GEORGIA

LENDING TEST

The Lending Test rating for Georgia is High Satisfactory. Lending levels reflect good responsiveness to the Georgia assessment areas' credit needs. The geographic distribution reflects adequate penetration throughout the assessment areas, and the borrower profile reflects adequate distribution of loans to borrowers of different incomes and businesses of different sizes. The institution uses innovative and/or flexible lending practices and is a leader in making community development loans.

Lending Activity

Lending levels reflect good responsiveness to the Georgia MSA assessment areas' credit needs. The tables presented in each assessment area detail the number and dollar volume of home mortgage and small business loans originated during the evaluation period.

Geographic Distribution

The overall geographic distribution of home mortgage and small business loans is adequate.

The geographic distribution of both home mortgage and small business loans reflects adequate penetration throughout the assessment areas. Performance in Georgia is predicated on the Atlanta MSA assessment area.

Borrower Profile

The overall distribution of home mortgage and small business loans to borrowers of different incomes and businesses of different sizes is adequate based on the small business lending.

The distribution of small business loans is adequate among businesses of different sizes, while the home mortgage lending is poor. Performance in Georgia is predicated on the Atlanta MSA assessment area.

Community Development Loans

First-Citizens Bank is a leader in making community development loans in Georgia. During this evaluation period, the bank originated 20 community development loans totaling \$89.8 million. This represents 3.6 percent by number and 10.4 percent by dollar volume of bank-wide community development loans. Two loans totaling \$39.8 million were originated outside the assessment areas but within the broader state-wide area. Since the bank was responsive to community development needs and opportunities within its assessment areas, the loans are included. The analysis for the Atlanta MSA assessment area includes a detailed discussion of community development loans. Below are the two community development loans originated in the broader state-wide area.

- \$36.2 million loan to construct a housing facility in a low-income area to provide area

- university students with affordable housing access.
- \$3.6 million loan to renovate a LIHTC project containing 35 affordable housing units in a moderate-income tract.

INVESTMENT TEST

The Investment Test is rated High Satisfactory. First-Citizens Bank has a significant level of qualified investments in Georgia. The bank exhibits good responsiveness to credit and community development needs and occasionally uses innovative and/or complex investments to support community development initiatives.

Investment and Grant Activity

The bank has a significant level of qualified investments in Georgia. Qualified investments total \$29.4 million or 4.5 percent of bank-wide qualified investments. Investments include five nationwide GNMA MBS projects supporting affordable housing, of which \$12.4 million benefited assessment areas in Georgia; one regionally-based investment fund supporting affordable housing, of which \$1.5 million benefited an assessment area in Georgia; a certificate of deposit at an MDI located in an assessment area in Georgia totaling \$245,000; and 96 donations or grants totaling \$68,235. Prior period investments include 18 SBA pools totaling \$15.2 million, which supported economic development in the assessment areas. Please refer to the full-scope assessment area for examples.

SERVICE TEST

The Service Test rating is Low Satisfactory in Georgia. First-Citizens Bank's delivery systems are reasonably accessible to essentially all portions of the assessment areas, and the opening and closing of branches has not adversely affected the accessibility of its delivery systems, particularly with respect to low- and moderate-income geographies or individuals. Services and business hours do not vary in a way that inconveniences certain portions of the assessment areas, particularly low- and moderate-income geographies, or individuals. The bank provided an adequate level of community development services.

Accessibility of Delivery Systems

Delivery systems are reasonably accessible to essentially all portions of the assessment area. The conclusions regarding the accessibility of delivery systems for the rated area are less favorable than the institution overall. Branches located in both low-income and moderate-income tracts are below the percentage of the population in those tracts. Additionally, the bank operates 25 ATMs within Georgia. One ATM (4.0 percent) is in a low-income tract, and 4 ATMs (16.0 percent) are within moderate-income tracts.

Branch Distribution by Geography Income Level Georgia Assessment Areas						
Tract Income Level	Census Tracts		Population		Branches	
	#	%	#	%	#	%
Low	95	12.2	368,792	8.6	1	4.2
Moderate	188	24.1	960,303	22.3	3	12.5
Middle	199	25.5	1,252,923	29.1	10	41.7
Upper	296	37.9	1,701,244	39.6	10	41.7
NA	10	1.3	15,925	0.4	0	0.0
Total	780	100.0	4,299,187	100.0	24	100.0
<i>Source: 2015 ACS Data and Bank Data Due to rounding, totals may not add to 100 percent.</i>						

Changes in Branch Locations

To the extent changes have been made, the institution’s opening and closing of branches has not adversely affected the accessibility of delivery systems, particularly in low- and moderate-income geographies and/or to low- and moderate-income individuals. Since the previous evaluation, the bank has opened or acquired six branches and closed five branches throughout Georgia. As shown in the table below, the net effect was an increase of one branch each in moderate- and middle-income tracts and a decrease of one branch in an upper-income tracts. Details of changes in branch locations are contained within the full-scope assessment area.

Net Distribution of Branch Openings/Closings						
Assessment Area	# of Branch Openings	# of Branch Closings	Income Level of Census Tract (+/-)			
			Low	Moderate	Middle	Upper
Athens MSA	0	0	0	0	0	0
Atlanta MSA	5	4	0	0	+1	0
Gainesville MSA	1	0	0	+1	0	0
Savannah MSA	0	0	0	0	0	0
GA Non-MSA	0	1	0	0	0	-1
Total	6	5	0	+1	+1	-1
<i>Source: Bank Data</i>						

Community Development Services

First-Citizens Bank provided an adequate level of community development services in Georgia. Bank employees and Board members provided 59 instances and 473 hours of community development service in Georgia. These services equate to 0.8 instances and 6.6 hours of community development service per branch per year. This performance represented 1.8 percent of the bank-wide community development services by number of hours. The level of community development services is lower than the percentage of branches within the assessment area at 4.6 percent. Employees are involved in community development organizations that primarily provide economic development and community services for low- and moderate-income individuals and areas. The bank provided 49 community development services at the last evaluation. Refer to the Atlanta MSA assessment area for examples.

Community Development Services										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	Hours	#	Hours	#	Hours	#	Hours	#	Hours
Athens MSA	1	1	6	35	0	0	0	0	7	36
Atlanta MSA	2	63	16	105	19	55	1	3	38	226
Gainesville MSA	0	0	0	0	2	4	0	0	2	4
Savannah MSA	0	0	2	14	2	4	0	0	4	18
GA Non-MSA	0	0	5	69	1	12	2	108	8	189
Georgia Totals	3	64	29	223	24	75	3	111	59	473
<i>Source: Bank Data</i>										

ATLANTA MSA ASSESSMENT AREA – Full-Scope Review

DESCRIPTION OF INSTITUTION’S OPERATIONS IN THE ATLANTA MSA ASSESSMENT AREA

The Atlanta-Sandy Springs-Alpharetta, GA MSA includes 29 counties; however, the bank delineated Cherokee, Cobb, DeKalb, Forsyth, Fulton, Gwinnett, and Pickens Counties as the assessment area. In addition, the Entegra Bank acquisition involved expansion of the Atlanta MSA assessment area to include Pickens County. The bank operates 15 or 62.5 percent of its Georgia branch offices in the Atlanta MSA assessment area. The assessment area represents 75.7 percent of the state-wide loans by dollar volume, 65.0 percent of state-wide loans by number, and 72.4 percent of bank-wide deposits.

Economic and Demographic Data

The assessment area consists of 659 census tracts, including 83 low-income tracts, 148 moderate-income tracts, 157 middle-income tracts, and 264 upper-income tracts. Seven tracts have no income designation. The following table presents demographic information from the 2015 ACS Census and 2020 D&B data.

Demographic Information for the Atlanta MSA Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	659	12.6	22.5	23.8	40.1	1.1
Population by Geography	3,730,521	8.8	21.9	27.8	41.1	0.4
Housing Units by Geography	1,505,616	9.9	22.6	26.4	40.9	0.2
Owner-Occupied Units by Geography	820,837	3.8	16.2	29.0	51.0	0.0
Occupied Rental Units by Geography	521,863	16.7	30.8	23.5	28.5	0.4
Vacant Units by Geography	162,916	18.5	29.0	23.0	29.2	0.2
Businesses by Geography	592,789	6.0	19.3	26.0	48.1	0.6
Farms by Geography	8,712	4.7	17.8	30.7	46.7	0.1
Family Distribution by Income Level	875,021	21.8	15.5	16.8	45.9	0.0
Household Distribution by Income Level	1,342,700	22.8	15.7	16.7	44.7	0.0
Median Family Income - Atlanta-Sandy Springs-Alpharetta, GA MSA		\$67,322	Median Housing Value			\$209,004
			Median Gross Rent			\$1,031
			Families Below Poverty Level			11.4%
<i>Source: 2015 ACS and 2020 D&B Data Due to rounding, totals may not equal 100.0 percent (*) The NA category consists of geographies that have not been assigned an income classification.</i>						

The Geographic Distribution criterion compares home mortgage loans to the distribution of owner-occupied housing units and compares small business loans to the percentage of businesses located

in low-, moderate-, middle-, and upper-income tracts. The 2015 ACS data shows a majority of owner-occupied housing units are in upper-income tracts with nearly a majority of businesses in the upper-income tracts as well, indicating most of the lending opportunities will be in these geographies. The middle- and moderate-income tracts contain a fair level of owner-occupied housing units and businesses, while significantly fewer opportunities are indicated in the low-income tracts.

The FFIEC updated Atlanta-Sandy Springs-Alpharetta, GA MSA MFIs were used to analyze home mortgage loans under the Borrower Profile criterion. The following table presents each income category.

Atlanta MSA – Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
2019 (\$79,200)	<\$39,600	\$39,600 to <\$63,360	\$63,360 to <\$95,040	≥\$95,040
2020 (\$82,200)	<\$41,100	\$41,100 to <\$65,760	\$65,760 to <\$98,640	≥\$98,640
2021 (\$85,700)	<\$42,850	\$42,850 to <\$68,560	\$68,560 to <\$102,840	≥\$102,840

Source: FFIEC

The analysis of home mortgage lending by borrower income uses families by income level as a comparison to bank performance. The median housing value is over \$209,000, and prices are continuing to rise due to the current economic conditions, which can potentially make housing increasingly unaffordable for low-income individuals. Therefore, lending opportunities to low-income families may be limited.

The analysis of small business loans under the Borrower Profile criterion compares the distribution of small business lending by gross annual revenue. The D&B 2020 distribution of businesses based on gross annual revenues is listed below.

- 91.4 percent reported \$1 million or less;
- 3.0 percent reported more than \$1 million; and
- 5.6 percent did not report revenues.

In 2020, the top industries were Education and Health Services; Professional and Business Services; and, Government. The top employers were Delta Air Lines, Inc.; Emory University and Emory Healthcare; The Home Depot, Inc.; Northside Hospital; and, Piedmont Healthcare.

The unemployment rates increased sharply in 2020 due to the COVID-19 pandemic. The unemployment rates dropped sharply in 2021, although the rates in four of the seven counties in the assessment area are slightly above the pre-pandemic levels. Unemployment rates in the assessment area were below the state rates except for DeKalb and Fulton Counties. All rates were below the national average.

Unemployment Rates			
Area	2019	2020	2021
	%	%	%
Cherokee County	2.9	4.8	2.6
Cobb County	3.1	5.9	3.3
DeKalb County	3.6	8.0	4.7
Forsyth County	2.9	4.5	2.5
Fulton County	3.7	8.0	4.7
Gwinnett County	3.2	6.3	3.5
Pickens County	3.2	4.8	2.8
Georgia	3.6	6.5	3.9
National Average	3.7	8.1	5.2
<i>Source: Bureau of Labor Statistics</i>			

Competition

The assessment area is highly competitive. According to the FDIC Deposit Market Share data as of June 30, 2021, 66 FDIC-insured institutions operate 817 branches within the assessment area. Of these institutions, First-Citizens Bank ranked 18th with a market share of 0.8 percent. Competitor institutions in the assessment area include Truist Bank; Bank of America, NA; and Wells Fargo Bank, NA. Together, the three competitor institutions account for 66.7 percent of the market share.

There is a high level of competition for home mortgage loans among banks, credit unions, and non-depository mortgage lenders. Aggregate data for 2020 shows 859 lenders reported 263,239 residential mortgage loans originated or purchased. First-Citizens Bank ranked 178th with a market share of 0.1 percent. The five dominant home mortgage lenders accounted for 24.6 percent of total market share by number.

In addition, there is a high level of competition for business loans within the assessment area. Aggregate data for 2020 shows 305 lenders reported 150,262 small business loans originated or purchased in the assessment area. Overall, First-Citizens Bank ranked 21st with 0.8 percent market share by number of loans and 12th with a 2.6 percent market share by dollar volume. The five dominant small business lenders accounted for 58.2 percent of the total market share by number.

Credit and Community Development Needs and Opportunities

Considering information from economic and demographic data, examiners determined the primary needs and opportunities in the assessment area are home mortgage and small business loans. In particular, there is a need for affordable housing for low- and moderate-income families as housing prices have continued to rise. The percentage of families in the low- and moderate-income categories and 11.4 percent of families below the poverty level support this conclusion. Examiners also determined the need for small business loans, which is based on the high number of businesses with four or fewer employees and a majority of businesses reporting gross annual revenues of \$1 million or less.

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE ATLANTA MSA ASSESSMENT AREA

LENDING TEST

Lending levels in the Atlanta MSA assessment area reflect good responsiveness to assessment area credit needs. The geographic distribution reflects adequate penetration throughout the assessment area, and the borrower profile reflects adequate distribution of loans among businesses of different sizes and borrowers of different income levels. The institution uses innovative and/or flexible lending practices and is a leader in making community development loans.

Lending Activity

Lending levels reflect good responsiveness to the assessment area’s credit needs. The tables presented below detail the number and dollar volume of 2020 small business and home mortgage loans in this assessment area.

Geographic Distribution

The geographic distribution of loans is adequate.

Small Business Loans

The geographic distribution of small business loans reflects adequate penetration throughout the assessment area. Lending in both low- and moderate-income tracts was below demographic data and slightly below aggregate lending data.

Geographic Distribution of Small Business Loans Atlanta MSA Assessment Area						
Tract Income Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
Low	6.0	5.2	51	3.8	10,247	4.9
Moderate	19.3	17.6	211	15.7	36,264	17.5
Middle	26.0	25.5	327	24.3	49,465	23.9
Upper	48.1	51.3	753	55.9	109,001	52.6
Not Available	0.6	0.4	6	0.4	2,206	1.1
Totals	100.0	100.0	1,348	100.0	207,183	100.0
<i>Source: 2015 ACS; 2020 CRA Data; and, 2020 CRA Aggregate Data. Due to rounding, totals may not equal 100.0 percent.</i>						

Home Mortgage Loans

The geographic distribution of home mortgage loans is adequate. Lending in low-income tracts was below demographic and aggregate lending data. Lending in moderate-income tracts was below demographic data and slightly lower than aggregate lending data.

Geographic Distribution of Home Mortgage Loans Atlanta MSA Assessment Area						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low	3.8	3.4	2	1.2	236	0.5
Moderate	16.2	13.3	18	11.1	3,671	7.1
Middle	29.0	27.5	33	20.4	5,831	11.3
Upper	51.0	55.8	109	67.3	41,644	81.0
Totals	100.0	100.0	162	100.0	51,382	100.0

*Source: 2015 ACS; 2020 HMDA Data; and, 2020 HMDA Aggregate Data.
Due to rounding, totals may not equal 100.0 percent.*

Borrower Profile

The distribution of small business loans to businesses of different sizes and home mortgage loans to borrowers of different incomes is adequate based on the significant weight afforded the small business lending performance.

Small Business Loans

The distribution of small business loans reflects adequate penetration to businesses with gross annual revenues of \$1 million or less. Lending to small businesses was significantly below demographic data but was within a reasonable range of aggregate data.

Distribution of Small Business Loans by Gross Annual Revenue Category Atlanta MSA Assessment Area						
Gross Revenue Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
<=\$1,000,000	91.4	42.6	498	36.9	57,632	27.8
>\$1,000,000	3.0	--	493	36.6	114,090	55.1
Revenue Not Available	5.6	--	357	26.5	35,461	17.1
Totals	100.0	100.0	1,348	100.0	207,183	100.0

*Source: 2020 D&B Data; 2020 CRA Data; and, 2020 CRA Aggregate Data.
"--" data not available.*

Home Mortgage Loans

The distribution of home mortgage loans reflects poor penetration among borrowers of different incomes. Lending to low-income borrowers was significantly below the percent of low-income families and was well below aggregate lending data. However, the low percent of aggregate lending data indicates limited opportunities may exist. Lending to moderate-income borrowers was significantly lower than both the demographic and aggregate lending data.

Geographic Distribution of Home Mortgage Loans Atlanta MSA Assessment Area						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low	21.8	4.5	3	1.9	400	0.8
Moderate	15.5	13.3	9	5.6	955	1.9
Middle	16.8	18.4	14	8.6	1,819	3.5
Upper	45.9	46.0	117	72.2	42,955	83.6
Not Available	0.0	17.8	19	11.7	5,254	10.2
Totals	100.0	100.0	162	100.0	51,382	100.0
<i>Source: 2015 ACS; 2020 HMDA Data; and, 2020 HMDA Aggregate Data.</i>						

Community Development Loans

First-Citizens Bank is a leader in making community development loans in the Atlanta MSA assessment area. The bank originated 17 community development loans totaling \$44.0 million. This amount represents 85.0 percent by number and 49.0 percent by dollar volume of community development loans originated within Georgia. Regarding the community development purpose, 1 loan supports affordable housing, 12 loans supports community service, and 4 loans support revitalization or stabilization. Examples of community development loans follow.

- \$19.2 million loan to construct an anchor shopping center that will revitalize and stabilize a low-income census tract.
- \$12.4 million loan to develop an industrial building that will provide job creation in a moderate income census tract.
- \$5.0 million loan to construct a 50-unit LIHTC project through partnership with a National Equity Fund that targets low- and moderate- income individuals.

INVESTMENT TEST

First-Citizens Bank has a significant level of qualified investments in the assessment area. The bank exhibits good responsiveness to credit and community development needs and occasionally uses innovative and/or complex investments to support community development initiatives.

Investment and Grant Activity

The bank has a significant level of qualified investments in the Atlanta MSA assessment area. Qualified investments total \$26.7 million or 90.8 percent of Georgia qualified investments. Investments include \$12.4 million in five nationwide GNMA MBS investments supporting affordable housing projects in the assessment area. Prior period investments include 17 SBA pools totaling \$14.2 million supporting economic development in the assessment area. Further, the bank made 56 donation or grant contributions totaling \$47,610. Of these contributions, \$2,300 benefited affordable housing, \$31,060 benefited community services and \$14,250 benefited economic development. Provided below are examples of donations that benefited the assessment area.

- \$2,050 to an organization that promotes affordable housing.
- \$3,875 to an organization that provides community services to low- and moderate-income individuals.

SERVICE TEST

First-Citizens Bank’s delivery systems are reasonably accessible to essentially all portions of the Atlanta MSA assessment area. The institution’s opening and closing of branches has not adversely affected the accessibility of its delivery systems. Services and business hours do not vary in a way that inconveniences certain portions of the assessment area, particularly low- and moderate-income geographies, or individuals. The bank provided an adequate level of community development services.

Accessibility of Delivery Systems

Delivery systems are reasonably accessible to essentially all portions of the assessment area. The conclusions regarding the accessibility of delivery systems for the assessment area are less favorable than the institution overall and consistent with the Georgia rated area. The branching in low-income tracts is comparable to the percentage of the population on those tracts. However, the bank does not operate any branches within the moderate-income tracts. The bank also operates 14 ATMs in the assessment area with 1 ATM (7.1 percent) in a low-income tract. None of the ATMs are in moderate-income tracts.

Branch Distribution by Geography Income Level Atlanta MSA Assessment Area						
Tract Income Level	Census Tracts		Population		Branches	
	#	%	#	%	#	%
Low	83	12.6	329,072	8.8	1	6.7
Moderate	148	22.4	816,208	21.9	0	0.0
Middle	157	23.8	1,035,814	17.8	5	33.3
Upper	264	40.1	1,533,512	41.1	9	60.0
NA	7	1.1	15,915	0.4	0	0.0
Total	659	100.0	3,730,521	100.0	15	100.0

Source: 2015 ACS Data and Bank Data

Changes in Branch Locations

To the extent changes have been made, the institution’s opening and closing of branches has not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and/or to low- and moderate-income individuals. Since the previous evaluation, the bank opened five branches through merger activity. Three branches are located in middle-income tracts and two branches are located in upper-income tracts. The bank closed four branches with two branches located in middle-income tracts and two branches located in upper-income tracts.

Community Development Services

First-Citizens Bank provided an adequate level of community development services in the assessment area. Bank employees and Board members provided 38 instances for 226 hours of community development service. These services equate to 0.8 instances and 5.0 hours of community development service per branch per year. This performance accounts for 0.9 percent of the bank-wide community development services and 47.8 percent of state-wide community development services by number of hours. The level of community development services is below the percentage of branches within the assessment area at 2.8 percent bank-wide and 62.5 percent state-wide. The bank engaged in 30 instances of community development service at the previous evaluation. The following are examples of community development services provided.

- An employee serves on the Board of the local Chamber of Commerce.
- An employee serves on the Executive Board for a non-profit agency that builds affordable homes for low- and moderate-income individuals.
- An employee serves on the Advisory Board for a non-profit that provides housing services to the homeless.

OTHER ASSESSMENT AREAS – Limited-Scope Review

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE LIMITED-SCOPE ASSESSMENT AREAS

The following table summarizes the conclusions for the four Georgia assessment areas reviewed using limited-scope examination procedures. Conclusions regarding the institution’s CRA performance within the limited-scope areas were derived from reviewing available facts and data, including performance data, aggregate lending data comparisons, and demographic information. The conclusions did not alter the bank’s overall performance rating.

Assessment Area	Lending Test	Investment Test	Service Test
GA Non-MSA	Consistent	Below	Above
Athens MSA	Consistent	Below	Consistent
Savannah MSA	Consistent	Below	Consistent
Gainesville MSA	Consistent	Below	Consistent

The branch distribution and alternative delivery systems for the limited-scope assessment areas are consistent with the overall institution. Additionally, the service hours, loan and deposit products, services, and branch hours do not inconvenience low- and moderate-income individuals or areas.

A summary of First-Citizens Bank’s operations and activities for limited-scope areas, as well as geographic distribution and borrower profile data for 2020 are presented below. Demographic data and market share information for the limited-scope assessment areas are detailed in the Appendices.

GA Non-MSA Assessment Area

The GA Non-MSA assessment area consists of three counties in rural Georgia: Franklin, Hart, and Stephens. First-Citizens Bank operates four branches in this assessment area, which represents 16.7 percent of state-wide branches. The assessment area accounts for 10.5 percent of state-wide lending by dollar volume, 19.4 percent of state-wide lending by number of loans, and 13.7 percent of state-wide deposits. The following activities occurred in the assessment area during the review period.

Activity	#	\$(000s)
Home Mortgage Loans	367	51,298
Small Business Loans	574	29,742
Community Development Loans	--	--
Investments (New)	--	--
Investments (Prior Period)	--	--
Donations	19	5
Community Development Services	8	189 hours
<i>Small business and home mortgage lending volumes are based on the combined 2019, 2020, and 2021 lending data, while the community development loans, qualified investments, and community development services are from previous evaluation through December 31, 2021. Qualified investments also include those from prior periods that remain outstanding.</i>		

Geographic Distribution and Borrower Profile

Geographic Distribution of Home Mortgage Loans GA Non-MSA Assessment Area						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Moderate	16.2	12.0	11	9.7	1,014	5.9
Middle	56.6	56.1	63	55.8	10,400	60.0
Upper	27.2	31.9	39	34.5	5,914	34.1
Totals	100.0	100.0	113	100.0	17,329	100.0
<i>Source: 2015 ACS; 2020 HMDA Data; and, 2020 HMDA Aggregate Data.</i>						

Geographic Distribution of Small Business Loans GA Non-MSA Assessment Area						
Tract Income Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
Moderate	25.5	22.7	53	22.8	2,236	15.7
Middle	50.8	48.6	106	45.7	8,934	62.9
Upper	23.7	28.7	73	31.5	3,029	21.3
Totals	100.0	100.0	232	100.0	14,199	100.0
<i>Source: 2015 ACS; 2020 CRA Data; and, 2020 CRA Aggregate Data. Due to rounding, totals may not equal 100.0 percent.</i>						

Distribution of Home Mortgage Loans by Borrower Income Level GA Non-MSA Assessment Area						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low	21.5	2.5	4	3.5	156	0.9
Moderate	18.4	10.0	12	10.6	1,098	6.3
Middle	17.2	17.5	17	15.0	1,822	10.5
Upper	42.9	49.8	70	61.9	12,261	70.8
Not Available	0.0	20.1	10	8.9	1,992	11.5
Totals	100.0	100.0	113	100.0	17,329	100.0
<i>Source: 2015 ACS; 2020 HMDA Data; and, 2020 HMDA Aggregate Data. Due to rounding, totals may not equal 100.0 percent.</i>						

Distribution of Small Business Loans by Gross Annual Revenue Category GA Non-MSA Assessment Area						
Gross Revenue Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
<=\$1,000,000	84.5	40.2	92	39.7	4,626	32.6
>\$1,000,000	4.2	--	57	24.6	6,323	44.5
Revenue Not Available	11.3	--	83	35.8	3,250	22.9
Totals	100.0	100.0	232	100.0	14,199	100.0
<i>Source: 2020 D&B Data; 2020 CRA Data; and, 2020 CRA Aggregate Data. "--" data not available. Due to rounding, totals may not equal 100.0 percent.</i>						

Athens MSA Assessment Area

The Athens-Clarke County, GA MSA comprises four counties; however, the bank only delineated Madison County as the Athens MSA assessment area. First-Citizens Bank operates three branches in this assessment area, which accounts for 12.5 percent of state-wide branches. In addition, the assessment area accounts for 2.9 percent of state-wide lending by dollar volume, 6.4 percent of state-wide lending by number of loans, and 6.3 percent of state-wide deposits. The following activities occurred in the assessment area during the review period.

Activity	#	\$(000s)
Home Mortgage Loans	150	17,425
Small Business Loans	155	4,774
Community Development Loans	--	--
Investments (New)	--	--
Investments (Prior Period)	--	--
Donations	5	2
Community Development Services	7	36 hours
<i>Small business and home mortgage lending volumes are based on the combined 2019, 2020, and 2021 lending data, while the community development loans, qualified investments, and community development services are from previous evaluation through December 31, 2021. Qualified investments also include those from prior periods that remain outstanding.</i>		

Geographic Distribution and Borrower Profile

Geographic Distribution of Home Mortgage Loans Athens MSA Assessment Area						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Moderate	44.4	33.4	23	44.2	5,097	65.2
Middle	55.6	66.6	29	55.8	2,719	34.8
Totals	100.0	100.0	52	100.0	7,816	100.0
<i>Source: 2015 ACS; 2020 HMDA Data; and, 2020 HMDA Aggregate Data.</i>						

Geographic Distribution of Small Business Loans Athens MSA Assessment Area						
Tract Income Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
Moderate	40.1	32.7	23	33.3	660	29.9
Middle	59.9	67.3	46	66.7	1,545	70.1
Totals	100.0	100.0	69	100.0	2,205	100.0
<i>Source: 2015 ACS; 2020 CRA Data; and, 2020 CRA Aggregate Data.</i>						

Distribution of Home Mortgage Loans by Borrower Income Level Athens MSA Assessment Area						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low	26.4	5.3	6	11.5	271	3.5
Moderate	18.5	19.9	11	21.2	726	9.3
Middle	20.1	24.0	16	30.8	1,324	16.9
Upper	35.1	30.7	15	28.8	1,901	24.3
Not Available	0.0	20.1	4	7.7	3,595	46.0
Totals	100.0	100.0	52	100.0	7,816	100.0

Source: 2015 ACS; 2020 HMDA Data; and, 2020 HMDA Aggregate Data.
Due to rounding, totals may not equal 100.0 percent.

Distribution of Small Business Loans by Gross Annual Revenue Category Athens MSA Assessment Area						
Gross Revenue Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
<=\$1,000,000	91.5	39.0	27	39.1	826	37.5
>\$1,000,000	1.6	--	13	18.8	783	35.5
Revenue Not Available	6.9	--	29	42.0	596	27.0
Totals	100.0	100.0	69	100.0	2,205	100.0

Source: 2020 D&B Data; 2020 CRA Data; and, 2020 CRA Aggregate Data.
"--" data not available.
Due to rounding, totals may not equal 100.0 percent.

Savannah MSA Assessment Area

The Savannah, GA MSA comprises three counties; however, the bank delineated only Chatham County as the assessment area. First-Citizens Bank operates one branch in this assessment area, which accounts for 4.1 percent of state-wide branches. In addition, the assessment area accounts for 8.0 percent of state-wide lending by dollar volume of loans, 7.0 percent of state-wide lending by number of loans, and 3.1 percent of state-wide deposits. The following activities occurred in the assessment area during the review period.

Activity	#	\$(000s)
Home Mortgage Loans	110	28,953
Small Business Loans	248	36,051
Community Development Loans	1	6,099
Investments (New)	2	1,745 *
Investments (Prior Period)	1	997**
Donations	11	10
Community Development Services	4	18 hours
<i>Small business and home mortgage lending volumes are based on the combined 2019, 2020, and 2021 lending data, while the community development loans, qualified investments, and community development services are from previous evaluation through December 31, 2021. Qualified investments also include those from prior periods that remain outstanding.</i>		
<i>* The bank invested in a regionally-based program supporting affordable housing, of which \$1.5 million benefited the Savannah MSA assessment area. Additionally, the bank held a certificate of deposit at a MDI located in the assessment area totaling \$245,000.</i>		
<i>** Prior period investments include one SBA pool totaling \$996,834, which contributed to economic development by supporting small businesses in the Savannah MSA assessment area.</i>		

Geographic Distribution and Borrower Profile

Geographic Distribution of Home Mortgage Loans Savannah MSA Assessment Area						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low	5.6	2.6	0	0.0	0	0.0
Moderate	21.2	14.1	7	25.0	900	13.1
Middle	33.5	32.2	7	25.0	1,903	27.8
Upper	39.8	51.1	14	50.0	4,050	59.1
Totals	100.0	100.0	28	100.0	6,854	100.0
<i>Source: 2015 ACS; 2020 HMDA Data; and, 2020 HMDA Aggregate Data. Due to rounding, totals may not equal 100.0 percent.</i>						

Geographic Distribution of Small Business Loans Savannah MSA Assessment Area						
Tract Income Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
Low	8.6	9.1	9	7.7	2,302	14.2
Moderate	22.9	21.1	25	21.4	3,165	19.5
Middle	32.8	34.0	39	33.3	4,636	28.6
Upper	35.4	35.6	44	37.6	6,106	37.7
Not Available	0.3	0.2	0	0.0	0	0.0
Totals	100.0	100.0	117	100.0	16,209	100.0

Source: 2015 ACS; 2020 CRA Data; and, 2020 CRA Aggregate Data.

Distribution of Home Mortgage Loans by Borrower Income Level Savannah MSA Assessment Area						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low	25.1	3.3	0	0.0	0	0.0
Moderate	16.6	13.2	0	0.0	0	0.0
Middle	20.2	18.9	3	10.7	388	5.7
Upper	38.2	37.3	25	89.3	6,466	94.3
Not Available	0.0	27.2	0	0.0	0	0.0
Totals	100.0	100.0	28	100.0	6,854	100.0

*Source: 2015 ACS; 2020 HMDA Data; and, 2020 HMDA Aggregate Data.
Due to rounding, totals may not equal 100.0 percent.*

Distribution of Small Business Loans by Gross Annual Revenue Category Savannah MSA Assessment Area						
Gross Revenue Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
<=\$1,000,000	86.5	38.7	49	41.9	6,966	43.0
>\$1,000,000	3.9	--	31	26.5	7,429	45.8
Revenue Not Available	9.6	--	37	31.6	1,814	11.2
Totals	100.0	100.0	117	100.0	16,209	100.0

*Source: 2020 D&B Data; 2020 CRA Data; and, 2020 CRA Aggregate Data.
"--" data not available.*

Gainesville MSA Assessment Area

The Gainesville MSA assessment area comprises Hall County, which represents the entire Gainesville, GA MSA. The institution entered this assessment area in December 2019. First-Citizens Bank operates one branch in this assessment area, which accounts for 4.1 percent of state-wide branches. The assessment area accounts for 3.0 percent of state-wide lending by dollar volume, 2.3 percent of state-wide lending by number of loans, and 4.6 percent of state-wide deposits. The following activities occurred in the assessment area during the review period.

Activity	#	\$(000s)
Home Mortgage Loans	19	7,380
Small Business Loans	95	16,857
Community Development Loans	--	--
Investments (New)	--	--
Investments (Prior Period)	--	--
Donations	5	5
Community Development Services	2	4 hours

Small business and home mortgage lending volumes are based on the combined 2020 and 2021 lending data, while the community development loans, qualified investments, and community development services are December 2019 through December 31, 2021. Qualified investments also include those from prior periods that remain outstanding.

Geographic Distribution and Borrower Profile

Geographic Distribution of Small Business Loans Gainesville MSA Assessment Area						
Tract Income Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
Low	9.2	9.3	7	12.3	548	6.1
Moderate	16.3	15.6	9	15.8	1,944	21.6
Middle	41.7	43.5	28	49.1	4,467	49.5
Upper	32.8	31.6	13	22.8	2,059	22.8
Totals	100.0	100.0	57	100.0	9,018	100.0

Source: 2015 ACS; 2020 CRA Data; and, 2020 CRA Aggregate Data.

Distribution of Small Business Loans by Gross Annual Revenue Category Gainesville MSA Assessment Area						
Gross Revenue Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
<=\$1,000,000	88.5	42.9	24	42.1	4,572	50.7
>\$1,000,000	4.3	--	16	28.1	2,818	31.2
Revenue Not Available	7.2	--	17	29.8	1,628	18.1
Totals	100.0	100.0	57	100.0	9,018	100.0

*Source: 2020 D&B Data; 2020 CRA Data; and, 2020 CRA Aggregate Data.
"--" data not available.*

WASHINGTON

CRA RATING FOR WASHINGTON: SATISFACTORY

The Lending Test is rated: Low Satisfactory

The Investment Test is rated: Low Satisfactory

The Service Test is rated: High Satisfactory

DESCRIPTION OF INSTITUTION'S OPERATIONS IN WASHINGTON

The evaluation of the Washington performance considered the operations of First-Citizens Bank in three assessment areas, which are detailed in the Description of Assessment Areas. In June 2021, First-Citizens Bank opened a branch in Lynnwood, which resulted in expansion of the Seattle MSA assessment area to include Snohomish County. The bank operates 6 or 1.1 percent of its branch offices in Washington. Washington accounts for 1.5 percent of bank-wide loans by dollar volume, 1.2 percent of bank-wide lending by number of loans, and 1.2 percent of the bank-wide deposits. Overall, First-Citizens Bank ranks 37th in the state in deposit market share at 0.3 percent. Competitor institutions in the assessment areas include Bank of America, NA; JPMorgan Chase Bank, NA; and Wells Fargo Bank, NA. Together, the three competitor institutions account for 45.2 percent of the market share.

SCOPE OF EVALUATION – WASHINGTON

Examiners conducted a full-scope review of performance in the Seattle MSA assessment area. A significant portion of the loans at 65.3 percent by dollar volume and 65.0 percent by number of loans and branches (50.0 percent) as well as a higher percentage of deposits (40.2 percent) in Washington are concentrated in this assessment area. Thus, the Seattle MSA assessment area received higher weight in the overall analysis, conclusions, and ratings for the Washington rated area. Limited scope areas included the Olympia and Tacoma MSA assessment areas. The Tacoma MSA assessment area received lesser weight, with the Olympia MSA assessment area receiving limited weight. Small business loans constitute the primary loan type in all assessment areas, comprising 95.8 percent of the state-wide loans by number and 90.4 percent of state-wide lending by dollar volume. Therefore, the conclusions are predicated upon small business lending performance. Home mortgage loans were only reviewed for the Seattle MSA assessment area in 2021 given the limited volume of home mortgage loans originated in that assessment area in 2019 and 2020. Additionally, home mortgage loans were not reviewed in the limited-scope assessment areas given the low volume on loans originated. Small farm loans were not included in the analysis due to the bank not originating any small farm loans in the assessment areas.

CONCLUSIONS ON PERFORMANCE CRITERIA IN WASHINGTON

LENDING TEST

The Lending Test rating for Washington is Low Satisfactory. Lending levels reflect adequate responsiveness to the Washington assessment areas' credit needs. The geographic distribution of small business loans reflects adequate penetration throughout the assessment areas, and the

borrower profile reflects adequate distribution to businesses of different sizes. Conclusions are based on the small business lending given the nominal level of home mortgage lending. The institution uses innovative and/or flexible lending practices and originated an adequate level of community development loans.

Lending Activity

Lending levels reflect adequate responsiveness to the Washington MSA assessment areas' credit needs. The tables presented in each assessment area detail the number and dollar volume of small business loans originated during the evaluation period.

Geographic Distribution

The geographic distribution of small business loans reflects adequate penetration throughout the assessment areas based upon the bank's small business lending performance given the significant level of small business lending compared to home mortgage lending.

Borrower Profile

The distribution of small business loans to businesses of different sizes reflects adequate distribution based upon the bank's small business lending performance given the significant level of small business lending compared to home mortgage lending.

Community Development Loans

First-Citizens Bank originated an adequate level of community development loans in Washington. During this evaluation period, the bank originated 16 community development loans totaling \$10.5 million. This represents 2.9 percent by number and 1.2 percent by dollar volume of total bank-wide community development loans. Three loans totaling \$240,000 were originated outside the assessment areas but within the broader state-wide area. Since the bank has been responsive to community development needs and opportunities within its assessment areas, the loans are included. The analysis for the Seattle MSA assessment area includes a detailed discussion of community development loans.

INVESTMENT TEST

The Investment Test is rated Low Satisfactory. First-Citizens Bank has an adequate level of qualified investments in Washington. The bank exhibits good responsiveness to credit and community development needs and occasionally uses innovative and/or complex investments to support community development initiatives. The performance in the full-scope assessment area was considered poor. However, the performance in the two limited-scope assessment areas was higher than the Seattle MSA assessment area and contributed to the overall Washington state rating of Low Satisfactory.

Investment and Grant Activity

The bank has an adequate level of qualified investments in Washington. Qualified investments total \$5.2 million or 0.8 percent of bank-wide qualified investments. Investments include one nationwide GNMA MBS supporting affordable housing projects, of which \$670,239 benefited an assessment area in Washington. Prior period investments include a nationwide GNMA MBS supporting affordable housing projects, of which \$718,000 benefited assessment areas in Washington. Additionally, the bank invested in a nationwide investment supporting affordable housing in an assessment area in Washington totaling \$1.4 million. Further, the bank purchased four SBA pools totaling \$2.3 million, which supported economic development in Washington. The bank also made 32 donations for \$19,450. Please refer to the full-scope assessment area for examples.

SERVICE TEST

The Service Test rating is High Satisfactory in Washington. First-Citizens Bank’s delivery systems are accessible to essentially all portions of the assessment areas, and the opening and closing of branches has not adversely affected the accessibility of its delivery systems, particularly with respect to low- and moderate-income geographies or individuals. Services and business hours do not vary in a way that inconveniences certain portions of the assessment areas, particularly low- and moderate-income geographies, or individuals. The bank provided an adequate level of community development services.

Accessibility of Delivery Systems

Delivery systems are accessible to essentially all portions of the Washington assessment areas. The conclusions regarding the accessibility of delivery systems for the Washington rated area are consistent with the institution overall. The branch level in the low-income tracts is well above the level of the population, while the branching in moderate-income tracts is less than the population percentage. The bank operates four ATMs in the Washington with one ATM (25.0 percent) in a moderate-income tract. The branch distribution by geography income level is shown in the following table

Washington - Branch Distribution by Geography Income Level						
Tract Income Level	Census Tracts		Population		Branches	
	#	%	#	%	#	%
Low	40	5.2	202,922	5.2	1	16.7
Moderate	173	22.4	876,790	22.6	1	16.7
Middle	337	43.7	1,708,178	44.1	3	50.0
Upper	214	27.8	1,079,822	27.9	1	16.7
NA	7	0.9	9,372	0.2	0	0.0
Total	771	100.0	3,877,084	100.0	6	100.0
<i>Source: 2015 ACS Data and Bank Data Due to rounding, totals may not add to 100 percent.</i>						

Changes in Branch Locations

To the extent changes have been made, the institution's opening and closing of branches has not adversely affected the accessibility of delivery systems, particularly in low- and moderate-income geographies and/or to low- and moderate-income individuals. Since the previous evaluation, the bank has opened two branches and closed two branches within Washington. As shown in the table below, the net effect was an increase of one branch in middle-income tracts and a decrease of one branch in upper-income tracts. Details of changes in branch locations are contained within the full-scope assessment area.

Net Distribution of Branch Openings/Closings						
Assessment Area	# of Branch Openings	# of Branch Closings	Income Level of Census Tract (+/-)			
			Low	Moderate	Middle	Upper
Olympia MSA	0	0	0	0	0	0
Seattle MSA	1	1	0	0	+1	-1
Tacoma MSA	1	1	0	0	0	0
Total	2	2	0	0	+1	-1

Source: Bank Data

Community Development Services

First-Citizens Bank provided an adequate level of community development services in Washington. Bank employees and Board members provided 18 instances for 196 hours of community development service in Washington. These services equate to 1.0 instance and 10.9 hours of community development service per branch per year. This performance represented 0.8 percent of the bank-wide community development services by number of hours. The level of community development services is less than the percentage of branches within the assessment area at 1.1 percent. The bank provided 16 instances of community development services at the previous evaluation. Employees are involved in community development organizations that primarily provide economic development and community services for low- and moderate-income individuals and areas. Refer to the Seattle MSA assessment area for examples.

Community Development Services										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	Hours	#	Hours	#	Hours	#	Hours	#	Hours
Olympia MSA	1	24	1	24	1	2	2	4	5	54
Seattle MSA	0	0	3	29	1	10	2	5	6	44
Tacoma MSA	0	0	3	56	2	37	2	5	7	98
Washington	1	24	7	109	4	49	6	14	18	196

Source: Bank Data

SEATTLE MSA ASSESSMENT AREA – Full-Scope Review

DESCRIPTION OF INSTITUTION’S OPERATIONS IN THE SEATTLE MSA ASSESSMENT AREA

The Seattle-Bellevue-Kent, WA MSA consists of two counties: King and Snohomish. The bank delineated both King and Snohomish Counties as the assessment area; however, the bank did not delineate Snohomish County until the opening of the Lynnwood, WA branch in June 2021. As a result, Snohomish County is only included within the lending analysis for 2021. The bank operates three or 50.0 percent of its Washington branch offices in the Seattle MSA assessment area. The assessment area represents 65.3 percent of the state-wide loans by dollar volume, 65.0 percent of state-wide loans by number of loans, and 40.2 percent of state-wide deposits.

Economic and Demographic Data

The 2020 assessment area consists of 398 census tracts, including 20 low-income tracts, 80 moderate-income tracts, 154 middle-income tracts, and 141 upper-income tracts. Three census tracts have no income designation. The following table presents demographic information from the 2015 ACS Census and 2020 D&B data.

Demographic Information for the Seattle MSA Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	398	5.0	20.1	38.7	35.4	0.8
Population by Geography	2,045,756	5.1	20.5	38.0	35.9	0.4
Housing Units by Geography	871,836	4.7	19.8	38.3	36.9	0.2
Owner-Occupied Units by Geography	470,632	2.7	15.2	40.4	41.7	0.0
Occupied Rental Units by Geography	349,019	7.4	25.6	35.8	30.7	0.5
Vacant Units by Geography	52,185	5.5	22.3	36.2	35.7	0.3
Businesses by Geography	265,636	4.9	15.7	34.2	44.6	0.5
Farms by Geography	4,006	3.5	14.8	42.0	39.6	0.1
Family Distribution by Income Level	488,006	21.0	16.4	19.5	43.1	0.0
Household Distribution by Income Level	819,651	24.2	15.6	17.0	43.2	0.0
Median Family Income - Seattle-Bellevue-Kent, WA MSA	\$92,317	Median Housing Value				\$410,534
		Median Gross Rent				\$1,241
		Families Below Poverty Level				7.0%

Source: 2015 ACS and 2020 D&B Data
 Due to rounding, totals may not equal 100.0 percent.
 (*) The NA category consists of geographies that have not been assigned an income classification.

The Geographic Distribution criterion compares home mortgage loans to the distribution of owner-occupied housing units and compares small business loans to the percentage of businesses located in low-, moderate-, middle-, and upper-income tracts. The 2015 ACS data shows a majority of owner-occupied housing units and businesses are within the middle- and upper-income tracts, indicating most of the lending opportunities will be in these geographies. The moderate-income tracts contain a fair level of owner-occupied housing units and businesses, while significantly fewer opportunities are indicated in the low-income tracts.

The FFIEC updated Seattle-Bellevue-Kent, WA MSA MFIs were used to analyze home mortgage loans under the Borrower Profile criterion. The following table presents each income category.

Seattle MSA – Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
2019 (\$108,600)	<\$54,300	\$54,300 to <\$86,880	\$86,880 to <\$130,320	≥\$130,320
2020 (\$113,300)	<\$56,650	\$56,650 to <\$90,640	\$90,640 to <\$135,960	≥\$135,960
2021 (\$115,700)	<\$57,850	\$57,850 to <\$92,560	\$92,560 to <\$138,840	≥\$138,840

Source: FFIEC

The analysis of home mortgage lending by borrower income uses families by income level as a comparison to bank performance. The median housing value is over \$410,000, and prices are continuing to rise due to the current economic conditions, which can potentially make housing increasingly unaffordable for low- and moderate-income individuals. Therefore, lending opportunities to low- and moderate-income families may be limited.

The analysis of small business loans under the Borrower Profile criterion compares the distribution of small business lending by gross annual revenue. The D&B 2020 distribution of businesses based on gross annual revenues is listed below.

- 90.1 percent reported \$1 million or less;
- 3.6 percent reported more than \$1 million; and
- 6.3 percent did not report revenues.

In 2020, the top industries were Education and Health Services; Professional and Business Services; and, Government. Additionally, approximately 92.3 percent of businesses operate with nine or fewer employees. The top employers were Boeing Company, Amazon, Microsoft Corporation, University of Washington, and Providence Health & Services.

The 2020 unemployment rates increased sharply due to the COVID-19 pandemic. Unemployment rates dropped sharply in each county in 2021, although rates are still well above the pre-pandemic levels. Unemployment rates in King County are below state and national unemployment rates, while, Snohomish County is below but generally comparable to state and national unemployment rates.

Unemployment Rates			
Area	2019	2020	2021
	%	%	%
King County	2.7	7.9	4.3
Snohomish County	3.0	8.8	5.0
Washington	4.3	8.5	5.3
National Average	3.7	8.1	5.2
<i>Source: Bureau of Labor Statistics</i>			

Competition

The assessment area is highly competitive. According to the FDIC Deposit Market Share data as of June 30, 2021, 46 FDIC-insured institutions operate 654 branches within the assessment area. Of these institutions, First-Citizens Bank ranked 29th with a market share of 0.2 percent. Competitor institutions in the assessment area include Bank of America, NA; JPMorgan Chase Bank, NA; and Wells Fargo Bank, NA. Together, the three competitor institutions account for 55.8 percent of the market share.

There is a high level of competition for home mortgage loans among banks, credit unions, and non-depository mortgage lenders. Aggregate data for 2020 shows 659 lenders reported 168,376 residential mortgage loans originated or purchased indicating high competition. First-Citizens Bank ranked 366th with a market share of less than 0.1 percent. The five dominant home mortgage lenders accounted for 28.4 percent of total market share by number.

In addition, there is a high level of competition for business loans within the assessment area. Aggregate data for 2020 shows 224 lenders reported 66,971 small business loans originated or purchased in the assessment area. Overall, First-Citizens Bank ranked 25th with a 0.6 percent market share by number of loans and 16th with a 1.8 percent market share by dollar volume. The five dominant small business lenders accounted for 58.8 percent of the total market share by number.

Community Contacts

As part of the CRA evaluation process, examiners contact third parties active in the assessment area to assist in identifying the credit and community development needs. This information helps determine whether local financial institutions are responsive to these needs. It also shows what credit and community development opportunities are available. Examiners referenced two recent community contacts within the Seattle MSA assessment area.

The first contact was a CDFI and Community Development Corporation that primarily serves southeast Seattle but also engages in the greater Puget Sound area. The contact stated the greater Puget Sound region experienced large real-estate price increases due to limited housing stock. As a result, it is difficult for low- and moderate-income individuals to find affordable housing in King, Pierce, and Snohomish Counties. Additionally, the contact noted a need for non-traditional mortgages and mortgage assistance.

The second contact was a CDFI and micro-enterprise development organization that serves the greater Puget Sound area, including King, Snohomish, and Pierce Counties. The contact stated the impact of the high cost of living in King County is spilling into neighboring counties. The high cost of living impacts access to affordable housing and affordable commercial space, essentially limiting growth opportunities. In addition, the contact stated communities historically living in more urban parts of Seattle are being forced out. Most movement is seen south of Seattle toward Tacoma. Snohomish County is as comparably unaffordable as King County. Furthermore, there is less and less foot traffic to small businesses, resulting in businesses responding by pivoting to online services. The contact noted an increase in requests from local businesses for technical assistance and coaching regarding moving more of business activities online. Additionally, there is a need for technology funding to help make that move to online business. Furthermore, the contact stated a need for small-dollar lines of credit and start-up working capital.

Credit and Community Development Needs and Opportunities

Considering information from the community contacts and economic and demographic data, examiners determined the primary needs and opportunities in the assessment area are home mortgage and small business loans. Small business loans, particularly those for start-up working capital and small-dollar loans, are in high demand. The significant percentage of businesses with gross annual revenues of \$1 million or less and the large number of businesses with four or fewer employees also supports this conclusion. Additionally, affordable housing loans are a primary credit need given the price of housing compared to the income levels in the area.

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE SEATTLE MSA ASSESSMENT AREA

LENDING TEST

Lending levels in the Seattle MSA assessment area reflects adequate responsiveness to assessment area credit needs. The geographic distribution reflects adequate penetration of small business loans throughout the assessment area, and the distribution of small business loans to business of different sizes is adequate. The conclusions are based on small business lending given the nominal level of home mortgage loans. The institution uses innovative and/or flexible lending practices and originated an adequate level of community development loans.

Lending Activity

Lending levels reflect adequate responsiveness to the assessment area's credit needs. The tables presented below detail the number and dollar volume of 2020 small business loans in this assessment area. Home mortgage loans were only reviewed for 2021.

Geographic Distribution

The geographic distribution of loans reflects adequate penetration throughout this assessment area. The conclusion is based on the small business lending performance, given the limited volume of home mortgage loans originated.

Small Business Loans

The geographic distribution of small business loans reflects adequate penetration throughout the assessment area. Lending in low-income tracts was comparable to aggregate lending data and exceeded demographic data. Lending in moderate-income tracts was comparable to demographic and aggregate lending data.

Geographic Distribution of Small Business Loans Seattle MSA Assessment Area						
Tract Income Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
Low	4.9	5.9	26	5.7	6,715	8.2
Moderate	15.7	16.5	69	15.2	12,133	14.8
Middle	34.2	35.8	174	38.3	30,630	37.3
Upper	44.6	41.1	184	40.5	32,529	39.6
Not Available	0.5	0.6	1	0.2	69	0.1
Totals	100.0	100.0	454	100.0	82,076	100.0

*Source: 2015 ACS; 2020 HMDA Data; and, 2020 HMDA Aggregate Data.
Due to rounding, totals may not equal 100.0 percent.*

Home Mortgage Loans

First-Citizens Bank did not originate a sufficient number of home mortgage loans to derive meaningful conclusions in 2019 or 2020 originating only 8 loans in each year. In 2021, the bank originated 18 loans. None of the loans were originated in low-income tracts; however, there is limited owner-occupied housing in those tracts at 3.0 percent. For moderate-income tracts, 5.6 percent were originated within the census tracts, which is significantly below demographic data at 18.1 percent.

Borrower Profile

The distribution of loans reflects adequate penetration among businesses of different sizes. The conclusion is based on the small business lending performance, given the limited volume of home mortgage loans originated.

Small Business Loans

The distribution of small business loans reflects adequate penetration to businesses with gross annual revenues of \$1 million or less. Lending to small businesses was significantly below demographic data for 2020 and also below aggregate data. In 2021, lending to small businesses increased to 43.4 percent.

Distribution of Small Business Loans by Gross Annual Revenue Category Seattle MSA Assessment Area						
Gross Revenue Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
<=\$1,000,000	90.1	41.3	137	30.2	19,414	23.7
>\$1,000,000	3.6	--	174	38.3	38,821	47.3
Revenue Not Available	6.3	--	143	31.5	23,841	29.0
Totals	100.0	100.0	454	100.0	82,076	100.0
Source: 2020 D&B Data; 2020 CRA Data; and, 2020 CRA Aggregate Data. "--" data not available.						

Home Mortgage Loans

First-Citizens Bank did not originate a sufficient number of home mortgage loans to derive meaningful conclusions in 2019 or 2020 originating only 8 loans in each year. In 2021, the bank originated 18 loans with only 14 loans providing income information. None of the loans were originated to low- and moderate-income borrowers. However, as provided by the community contacts, housing prices in the assessment area have increased significantly and are not affordable for low- and moderate-income families. This is further supported by the median home value at over \$400,000 coupled with low-income families earning less than \$58,000 per year and moderate-income family earnings ranging from \$58,000 to nearly \$93,000.

Community Development Loans

First-Citizens Bank originated an adequate level of community development loans in the Seattle MSA assessment area. The bank originated four community development loans totaling \$3.0 million. This amount represents 25.0 percent by number and 28.5 percent by dollar volume of community development loans originated within Washington. Regarding the community development purpose, three loans support community service, and one loan supports revitalization or stabilization. Examples of community development loans follow.

- \$2.8 million loan to construct a building that will revitalize and stabilize a low-income census tract.
- \$50,000 line-of-credit to a non-profit organization that provides community services to low- and moderate-income individuals.

INVESTMENT TEST

First-Citizens Bank has a poor level of qualified investments in the assessment area. The bank exhibits adequate responsiveness to credit and community development needs and occasionally uses innovative and/or complex investments to support community development initiatives.

Investment and Grant Activity

The bank has a poor level of qualified investments in the Seattle MSA assessment area. Qualified investments total \$1.0 million or 19.2 percent of Washington qualified investments. Investments

include \$718,000 in a prior period nationwide GNMA MBS investment supporting affordable housing projects in the assessment area. Additional prior period investments include two SBA pools totaling \$294,451 that supported economic development in the assessment area. Further, the bank made six donation or grant contributions totaling \$3,000, of which all \$3,000 benefited community services. Provided below are examples of donations that benefited the assessment area.

- \$1,000 to an organization that provides community services to low- and moderate-income individuals.
- \$1,000 to a non-profit organization that provides community services to low- and moderate-income individuals.

SERVICE TEST

First-Citizens Bank’s delivery systems are accessible to essentially all portions of the Seattle MSA assessment area. The institution’s opening and closing of branches has not adversely affected the accessibility of its delivery systems. Services and business hours do not vary in a way that inconveniences certain portions of the assessment area, particularly low- and moderate-income geographies, or individuals. The bank provided a low level of community development services.

Accessibility of Delivery Systems

Delivery systems are accessible to essentially all portions of the assessment area. The conclusions regarding the accessibility of delivery systems for the assessment area are consistent with the institution overall institution and the Washington rated area. Branching in low-income tracts is substantially higher than the population percentage; however, there are no branches in the moderate-income tracts with 22.0 percent of the population. The bank also operates one ATM in the assessment area in an upper-income tract. Additionally, the locations of the bank’s branches enable the bank to reasonably serve low-and moderate-income tracts where the bank has no branches.

Branch Distribution by Geography Income Level Seattle MSA Assessment Area						
Tract Income Level	Census Tracts		Population		Branches	
	#	%	#	%	#	%
Low	31	5.7	166,905	6.0	1	33.3
Moderate	125	22.8	638,885	22.9	0	0.0
Middle	228	41.5	1,154,501	41.3	1	33.3
Upper	160	29.1	824,303	29.5	1	33.3
NA	5	0.9	7,815	0.3	0	0.0
Total	549	100.0	2,792,409	100.0	3	100.0
<i>Source: 2015 ACS Data and Bank Data Due to rounding, totals may not add to 100 percent.</i>						

Changes in Branch Locations

To the extent changes have been made, the institution’s opening and closing of branches has not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-

income geographies and/or to low- and moderate-income individuals. Since the previous evaluation, the bank opened one branch located in a middle-income tract and closed one branch located in an upper-income tract.

Community Development Services

First-Citizens Bank provided a low level of community development services in the assessment area. Bank employees and Board members provided six instances for 44 hours of community development service. These services equate to 0.70 instances and 4.9 hours of community development service per branch per year. This performance accounts for 0.2 percent of the bank-wide community development services and 22.4 percent of state-wide community development services by number of hours. The level of community development services is below the percentage of branches within the assessment area at 0.6 percent bank-wide and 50.0 percent state-wide. The bank engaged in four instances of community development service at the previous evaluation. The following are examples of community development services provided.

- An employee is on the Board of a non-profit foundation, whose mission is to transform the business community by mobilizing it to restore hope, dignity and significance to those in need.
- An employee gave a presentation on PPP loans to small business owners on behalf of the state level small business administration.
- An employee is on the Board of a non-profit organization, whose mission is to partner with families and communities to break the cycle of social, material and spiritual poverty by addressing issues surrounding education, youth development, family, health, and economic stability.

OTHER ASSESSMENT AREAS – Limited-Scope Review

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE LIMITED-SCOPE ASSESSMENT AREAS

The following table summarizes the conclusions for the two Washington assessment areas reviewed using limited-scope examination procedures. Conclusions regarding the institution’s CRA performance within the limited-scope areas were derived from reviewing available facts and data, including performance data, aggregate lending data comparisons, and demographic information. The conclusions did not alter the bank’s overall performance rating for the Lending Test or the Service Test; however, given the level of investments in the two limited-scope assessment areas, the performance did positively impact the Investment Test, resulting in an overall Low Satisfactory rating.

Assessment Area	Lending Test	Investment Test	Service Test
Olympia MSA	Consistent	Above	Consistent
Tacoma MSA	Consistent	Above	Consistent

The branch distribution and alternative delivery systems for the limited-scope assessment areas are consistent with the overall institution. Additionally, the service hours, loan and deposit products, services, and branch hours do not inconvenience low- and moderate-income individuals or areas.

A summary of First-Citizens Bank’s operations and activities for limited-scope areas, as well as geographic distribution and borrower profile data for 2020 are presented below. Demographic data and market share information for the limited-scope assessment areas are detailed in the Appendices.

Tacoma MSA Assessment Area

The Tacoma MSA assessment area is comprised of Pierce County, which represents the entire Tacoma-Lakewood, WA MSA. First-Citizens Bank operates two branches in this assessment area, which accounts for 33.3 percent of state-wide branches. The assessment area accounts for 24.8 percent of state-wide lending by dollar volume, 23.9 percent of state-wide lending by number of loans, and 29.6 percent of state-wide deposits. The following activities occurred in the assessment area during the review period.

Activity	#	\$(000s)
Home Mortgage Loans	23	7,199
Small Business Loans	407	79,016
Community Development Loans	6	7,207
Investments (New)	--	--
Investments (Prior Period)	1	1,400*
Donations	14	10
Community Development Services	7	98 hours
<i>Small business and home mortgage lending volumes are based on the combined 2019, 2020, and 2021 lending data, while the community development loans, qualified investments, and community development services are from previous evaluation through December 31, 2021. Qualified investments also include those from prior periods that remain outstanding.</i> <i>* The bank invested in a prior period nationwide investment supporting affordable housing projects, of which \$1.4 million benefited the Tacoma MSA assessment area.</i>		

Geographic Distribution and Borrower Profile

Geographic Distribution of Small Business Loans Tacoma MSA Assessment Area						
Tract Income Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
Low	5.6	5.1	12	5.7	3,836	9.7
Moderate	19.5	20.8	35	16.7	6,360	16.0
Middle	47.4	46.9	106	50.7	20,368	51.3
Upper	27.6	27.2	56	26.8	9,143	23.0
Totals	100.0	100.0	209	100.0	39,707	100.0
<i>Source: 2015 ACS; 2020 CRA Data; and, 2020 CRA Aggregate Data. Due to rounding, totals may not equal 100.0 percent.</i>						

**Distribution of Small Business Loans by Gross Annual Revenue Category
Tacoma MSA Assessment Area**

Gross Revenue Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
<=\$1,000,000	89.9	38.4	68	32.5	8,493	21.4
>\$1,000,000	3.0	--	84	40.2	23,686	59.7
Revenue Not Available	7.1	--	57	27.3	7,528	19.0
Totals	100.0	100.0	209	100.0	39,707	100.0

Source: 2020 D&B Data; 2020 CRA Data; and, 2020 CRA Aggregate Data.

"--" data not available.

Due to rounding, totals may not equal 100.0 percent.

Olympia MSA Assessment Area

The Olympia MSA assessment area is comprised of Thurston County, which represents the entire Olympia-Lacey-Tumwater, WA MSA. First-Citizens Bank operates one branch in this assessment area, which accounts for 16.7 percent of state-wide branches. In addition, the assessment area accounts for 9.9 percent of state-wide lending and 30.3 percent of state-wide deposits. The following activities occurred in the assessment area during the review period.

Activity	#	\$(000s)
Home Mortgage Loans	18	3,775
Small Business Loans	182	30,770
Community Development Loans	3	90
Investments (New)	1	670*
Investments (Prior Period)	2	2,000**
Donations	12	6
Community Development Services	5	54 hours
<i>Small business and home mortgage lending volumes are based on the combined 2019, 2020, and 2021 lending data, while the community development loans, qualified investments, and community development services are from previous evaluation through December 31, 2021. Qualified investments also include those from prior periods that remain outstanding.</i> <i>* The bank invested in a nationwide GNMA MBS supporting affordable housing projects, of which \$670,239 benefited the Olympia MSA assessment area.</i> <i>** In the prior period, the bank purchased two SBA pools totaling \$2.0 million that supported economic development in assessment area.</i>		

Geographic Distribution and Borrower Profile

Geographic Distribution of Small Business Loans Olympia MSA Assessment Area						
Tract Income Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
Moderate	23.7	25.7	26	34.7	4,462	30.4
Middle	53.7	52.4	37	49.3	8,822	60.2
Upper	22.6	21.9	12	16.0	1,381	9.4
Totals	100.0	100.0	75	100.0	14,665	100.0
<i>Source: 2015 ACS; 2020 CRA Data; and, 2020 CRA Aggregate Data.</i>						

Distribution of Small Business Loans by Gross Annual Revenue Category Olympia MSA Assessment Area						
Gross Revenue Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
<=\$1,000,000	89.2	36.7	20	26.7	2,606	17.8
>\$1,000,000	2.8	--	34	45.3	8,617	58.8
Revenue Not Available	8.1	--	21	28.0	3,442	23.5
Totals	100.0	100.0	75	100.0	14,665	100.0
<i>Source: 2020 D&B Data; 2020 CRA Data; and, 2020 CRA Aggregate Data. "--" data not available. Due to rounding, totals may not equal 100.0 percent.</i>						

TEXAS

CRA RATING FOR TEXAS: SATISFACTORY

The Lending Test is rated: Low Satisfactory

The Investment Test is rated: High Satisfactory

The Service Test is rated: Low Satisfactory

DESCRIPTION OF INSTITUTION'S OPERATIONS IN TEXAS

The evaluation of the Texas performance considered the operations of First-Citizens Bank in three assessment areas, which are detailed in the Description of Assessment Areas. There have been no changes to the assessment areas since the last evaluation. The bank operates eight or 1.6 percent of its branch offices in Texas. Texas accounts for 1.3 percent of bank-wide loans by dollar volume and number of loans and 0.9 percent of the bank-wide deposits. Overall, First-Citizens Bank ranks 198th in the state with a deposit market share of less than 0.1 percent. Competitor institutions in the assessment areas include Charles Schwab Bank, SSB; JP Morgan Chase Bank, NA; and, Bank of America, NA. Together, the three competitor institutions account for 50.6 percent of the market share.

SCOPE OF EVALUATION – TEXAS

Examiners conducted a full-scope review of performance in the Austin MSA assessment area. The majority of the loans (58.9 percent), deposits (62.8 percent), and branches (50.0 percent) in Texas are concentrated in this assessment area. Therefore, the Austin MSA assessment area received more weight in the overall analysis, conclusions, and ratings. Limited-scope areas included the Dallas and Houston MSA assessment areas and received lesser weight in the overall analysis. Small business loans constitute the primary loan type in all assessment areas, comprising 94.5 percent of state-wide lending by dollar volume and 98.1 percent of state-wide lending by number of loans. Similar levels are noted in each assessment area. Therefore, the conclusions are predicated on small business lending performance. Home mortgage loans were also reviewed; however, the level of home mortgage loans is low with only 7 loans in 2019, 11 loans in 2020, and 17 loans in 2021 across all three assessment areas. Therefore, the analysis of home mortgage loans did not provide meaningful conclusions and is not presented. Small farm loans were not included in the analysis due to no small farm loans being originated.

CONCLUSIONS ON PERFORMANCE CRITERIA IN TEXAS

LENDING TEST

The Lending Test rating for Texas is Low Satisfactory. Lending levels reflect adequate responsiveness to the Texas assessment areas' credit needs. The geographic distribution reflects adequate penetration throughout the assessment areas, and the borrower profile reflects adequate distribution of small businesses loans to businesses of different sizes. The institution uses innovative and/or flexible lending practices and originated a relatively high level of community development loans.

Lending Activity

Lending levels reflect adequate responsiveness to the Texas assessment areas' credit needs. The tables presented in each assessment area detail the number and dollar volume of small business loans originated during the evaluation period.

Geographic Distribution

The overall geographic distribution of small business loans is adequate.

The geographic distribution of small business loans reflects adequate penetration throughout the assessment areas.

Borrower Profile

The overall distribution of small business loans to businesses of different sizes is adequate.

Community Development Loans

First-Citizens Bank originated a relatively high level of community development loans in Texas. During this evaluation period, the bank originated 19 community development loans totaling \$27.0 million. This represents 3.5 percent by number and 3.1 percent by dollar volume of total bank-wide community development loans. The Austin MSA assessment area includes a detailed discussion of community development loans.

INVESTMENT TEST

The Investment Test is rated High Satisfactory. First-Citizens Bank has a significant level of qualified investments in Texas. The bank exhibits good responsiveness to credit and community development needs and occasionally uses innovative and/or complex investments to support community development initiatives.

Investment and Grant Activity

The bank has a significant level of qualified investments in Texas. Qualified investments total \$31.5 million or 4.9 percent of bank-wide qualified investments. Investments include 5 nationwide GNMA MBS supporting affordable housing, of which \$7.7 million benefited assessment areas in Texas and 1 nationwide investment supporting affordable housing, of which \$1.9 million benefited an assessment area in Texas. Prior period investments include 2 nationwide GNMA MBS for \$12.8 million that supported affordable housing in the Texas assessment areas and 1 nationwide investment supporting affordable housing, of which \$821,577 benefited an assessment area in Texas. Prior period investments also include 11 SBA pools totaling \$8.3 million, which supported economic development in assessment areas in Texas. The bank also made 24 donations or grants totaling \$23,355. Please refer to the full-scope assessment area for examples.

SERVICE TEST

The Service Test rating is Low Satisfactory in Texas. First-Citizens Bank’s delivery systems are accessible to limited portions of the assessment areas, and the opening and closing of branches has not adversely affected the accessibility of delivery systems, particularly with respect to low- and moderate-income geographies or individuals. Services and business hours do not vary in a way that inconveniences certain portions of the assessment areas, particularly low- and moderate-income geographies, or individuals. The bank provided an adequate level of community development services.

Accessibility of Delivery Systems

Delivery systems are accessible to limited portions of the Texas assessment areas. The accessibility of delivery systems is less favorable than the institution overall. The bank operates eight full-service branches in Texas. There are no branches within the low-income tracts which account for 13.7 percent of the population. The branching in the moderate-income tracts is well below the percentage of the population. The bank operates its four ATMs in upper-income tracts. The branch distribution by geography income level is shown in the following table.

Texas - Branch Distribution by Geography Income Level						
Tract Income Level	Census Tracts		Population		Branches	
	#	%	#	%	#	%
Low	293	15.8	1,361,527	13.7	0	0.0
Moderate	521	28.2	2,725,994	27.4	1	12.5
Middle	440	23.8	2,564,376	25.8	0	0.0
Upper	577	31.2	3,257,510	32.7	7	87.5
NA	19	1.0	47,741	0.4	0	0.0
Total	1,850	100.0	9,957,148	100.0	8	100.0
<i>Source: 2015 ACS Data and Bank Data</i>						

Changes in Branch Locations

To the extent changes have been made, the institution’s opening and closing of branches has not adversely affected the accessibility of delivery systems, particularly in low- and moderate-income geographies and/or to low- and moderate-income individuals. Since the previous evaluation, the bank has opened four branches and closed three branches throughout Texas. As shown in the table below, the net effect was an increase of one branch in a moderate-income tract. Details of changes in branch locations are contained within the full-scope assessment area.

Net Distribution of Branch Openings/Closings						
Assessment Area	# of Branch Openings	# of Branch Closings	Income Level of Census Tract (+/-)			
			Low	Moderate	Middle	Upper
Austin MSA	2	1	0	0	0	+1
Dallas MSA	1	1	0	+1	0	-1
Houston MSA	1	1	0	0	0	0
Total	4	3	0	+1	0	0
<i>Source: Bank Data</i>						

Community Development Services

First-Citizens Bank provided an adequate level of community development services in Texas. Bank employees and Board members provided 24 instances and 161 hours of community development service in Texas. These services equate to 1.0 instance and 6.7 hours of community development service per branch per year. This performance represented 0.6 percent of the bank-wide community development services by number of hours which is lower than the percentage of branches within the assessment areas at 1.5 percent. Employees are involved in community development organizations that primarily provide affordable housing and community services for low- and moderate-income individuals and areas. The bank provided 21 community development services at the prior evaluation. Refer to the Austin MSA assessment area for examples.

Community Development Services										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	Hours	#	Hours	#	Hours	#	Hours	#	Hours
Austin MSA	1	1	7	60	3	7	1	1	12	69
Dallas MSA	2	60	1	10	2	4	1	2	6	76
Houston MSA	0	0	1	4	1	2	4	10	6	16
Texas	3	61	9	74	6	13	6	13	24	161
<i>Source: Bank Data</i>										

AUSTIN MSA ASSESSMENT AREA – Full-Scope Review

DESCRIPTION OF INSTITUTION’S OPERATIONS IN THE AUSTIN MSA ASSESSMENT AREA

The Austin-Round Rock-Georgetown, TX MSA includes five counties; however, the bank delineated only Travis and Williamson Counties as the assessment area. There have been no changes to the assessment area since the last evaluation. The bank operates four or 50.0 percent of its Texas branch offices in the Austin MSA assessment area. The assessment area represents 58.9 percent of the state-wide loans by dollar volume, 60.6 percent of state-wide loans by number of loans, and 62.8 percent of state-wide deposits.

Economic and Demographic Data

The assessment area consists of 307 census tracts, including 35 low-income tracts, 61 moderate-income tracts, 109 middle-income tracts, and 96 upper-income tracts. Six tracts have no income designation. The following table presents demographic information from the 2015 ACS Census and 2020 D&B data.

Demographic Information for the Austin MSA Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	307	11.4	19.9	35.5	31.3	2.0
Population by Geography	1,595,237	11.2	19.4	35.4	32.7	1.3
Housing Units by Geography	636,310	11.1	17.5	36.7	33.7	1.0
Owner-Occupied Units by Geography	332,220	4.4	15.0	37.8	42.6	0.2
Occupied Rental Units by Geography	257,793	19.2	20.7	35.7	22.4	2.0
Vacant Units by Geography	46,297	13.8	17.3	34.7	32.3	1.9
Businesses by Geography	216,695	6.3	11.1	33.2	48.0	1.4
Farms by Geography	3,897	5.1	13.4	37.4	43.6	0.5
Family Distribution by Income Level	361,818	22.1	16.3	19.6	42.0	0.0
Household Distribution by Income Level	590,013	22.8	16.5	18.0	42.7	0.0
Median Family Income - Austin-Round Rock-Georgetown, TX MSA		\$78,997	Median Housing Value			\$247,438
			Median Gross Rent			\$1,082
			Families Below Poverty Level			9.3%

Source: 2015 ACS and 2020 D&B Data
Due to rounding, totals may not equal 100.0 percent.
(*) The NA category consists of geographies that have not been assigned an income classification.

The Geographic Distribution criterion compares home mortgage loans to the distribution of owner-occupied housing units and compares small business loans to the percentage of businesses located in low-, moderate-, middle-, and upper-income tracts. The 2015 ACS data shows a substantial

majority of businesses are within the middle- and upper-income tracts, indicating most of the lending opportunities will be in these geographies. The moderate- and low-income tracts contain much lower levels of businesses, indicating more limited opportunities, particularly in the low-income geographies.

The analysis of small business loans under the Borrower Profile criterion compares the distribution of small business lending by gross annual revenue. The D&B 2020 gross annual revenues are listed below.

- 89.8 percent reported \$1 million or less;
- 3.2 percent reported more than \$1 million; and
- 7.0 percent did not report revenues.

In 2020, the top industries were Education and Health Services; Professional and Business Services; and, Leisure and Hospitality Services. In addition, approximately 92.5 percent of area businesses have fewer than ten employees. The top employers were University of Texas at Austin; Dell, Inc.; Seton Healthcare Network; Walmart, Inc.; and St. David’s Healthcare.

The unemployment rates increased sharply in 2020 due to the COVID-19 pandemic. The 2021 unemployment rates dropped sharply, although the rates in both counties remain above the pre-pandemic levels. Unemployment rates in the assessment area were lower than both state unemployment rates and the national averages.

Unemployment Rates			
Area	2019	2020	2021
	%	%	%
Travis County	2.6	6.4	4.1
Williamson County	2.8	5.9	4.0
Texas	3.5	7.7	5.7
National Average	3.7	8.1	5.2
<i>Source: Bureau of Labor Statistics</i>			

Competition

The assessment area is highly competitive. According to the FDIC Deposit Market Share data as of June 30, 2021, 60 FDIC-insured institutions operate 373 branches within the assessment area. Of these institutions, First-Citizens Bank ranked 27th with a market share of 0.5 percent. Competitor institutions in the assessment areas include JP Morgan Chase Bank, NA; Wells Fargo Bank, NA; and Bank of America, NA. Together, the three competitor institutions account for 52.8 percent of the market share.

There is a high level of competition for business loans within the assessment area. Aggregate data for 2020 shows 290 lenders reported 58,173 small business loans originated or purchased in the assessment area. Overall, First-Citizens Bank ranked 22nd with 0.8 percent market share by number of loans and 11th with 2.2 percent of the dollar volume of loans. The five dominant small business lenders accounted for 55.3 percent of the total market share by number.

Community Contact

As part of the CRA evaluation process, examiners contact third parties active in the assessment area to assist in identifying the credit and community development needs. This information helps determine whether local financial institutions are responsive to these needs. It also shows what credit and community development opportunities are available. Examiners referenced one recent community contact within the assessment area.

Examiners used an existing community contact with a local council of governments serving the capital city area. The council focuses on leveraging resources and providing technical assistance for local governments in the region with a focus on economic planning. The contact indicated that the area was experiencing growth with prevalent credit needs for small business loans and home mortgage loans. A challenge identified by the contact was the increasingly high level of home prices. The contact noted that while the area has a great diversity of industry, many workers must commute long distances as home prices in the area are prohibitive. The contact indicated that there are numerous opportunities for bank involvement in community development, especially in the more rural areas outside the capital city.

Credit and Community Development Needs and Opportunities

Considering information from the community contact and demographic and economic data, examiners determined small business loans represent a primary credit need for the assessment area. The Austin MSA area is booming with employment rising at nearly twice the national rate during the past year. Almost all major industries are outpacing their national counterparts. Additionally, the significant percentage of businesses with gross annual revenues of \$1 million or less at 89.8 percent and the large number of businesses with ten or fewer employees at 92.5 percent also support this conclusion. Affordable housing represents a need as 38.4 percent of the families are low- and moderate-income. Large increases in home prices and rising mortgage rates have caused affordability to decline; however, homebuilding remains strong.

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE AUSTIN MSA ASSESSMENT AREA

LENDING TEST

Lending levels in the Austin MSA assessment area reflect adequate responsiveness to assessment area credit needs. The geographic distribution reflects adequate penetration throughout the assessment area, and the borrower profile reflects adequate distribution of small business loans among businesses of different sizes. The institution uses innovative and/or flexible lending practices and originated a relatively high level of community development loans.

Lending Activity

Lending levels reflect adequate responsiveness to the assessment area's credit needs. The tables presented below detail the number and dollar volume of 2020 small business loans in this assessment area.

Geographic Distribution

The geographic distribution of loans is adequate.

Small Business Loans

The geographic distribution of small business loans reflects adequate penetration throughout the assessment area. Lending in low-income tracts was slightly above demographic data and consistent with aggregate lending data. Lending in moderate-income tracts was below demographic and aggregate lending data.

Geographic Distribution of Small Business Loans Austin MSA Assessment area						
Tract Income Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
Low	6.3	7.6	37	7.1	7,163	9.5
Moderate	11.1	12.6	40	7.6	7,126	9.5
Middle	33.2	32.5	149	28.5	19,918	26.5
Upper	48.0	46.3	292	55.8	40,356	53.7
Not Available	1.4	1.0	5	1.0	540	0.7
Totals	100.0	100.0	523	100.0	75,103	100.0

*Source: 2015 ACS; 2020 CRA Data; and, 2020 CRA Aggregate Data.
Due to rounding, totals may not equal 100.0 percent.*

Borrower Profile

The distribution of small business loans to businesses of different sizes is adequate.

Small Business Loans

Lending to businesses with gross annual revenues of \$1 million or less is adequate. In 2020, lending performance was significantly lower than demographic; however, was within a reasonable range of aggregate data.

Distribution of Small Business Loans by Gross Annual Revenue Category Austin MSA Assessment Area						
Gross Revenue Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
<=\$1,000,000	89.8	39.3	157	30.0	17,781	23.7
>\$1,000,000	3.2	--	177	33.8	31,995	42.6
Revenue Not Available	7.1	--	189	36.1	25,327	33.7
Totals	100.0	100.0	523	100.0	75,103	100.0

*Source: 2020 D&B Data; 2020 CRA Data; and, 2020 CRA Aggregate Data.
"--" data not available.
Due to rounding, totals may not equal 100.0 percent.*

Community Development Loans

First-Citizens Bank originated a relatively high level of community development loans in the Austin MSA assessment area. The bank originated seven community development loans totaling \$9.8 million. This amount represents 36.8 percent by number and 36.2 percent by dollar volume of community development loans originated within the Texas assessment areas only. Regarding the community development purpose, three loans support community service, and four loans support revitalization or stabilization. Examples of community development loans follow.

- \$3.2 million loan to construct a building that will revitalize and stabilize a moderate-income census tract.
- \$2.7 million line of credit to purchase and improve an office building in a moderate- income census tract.
- three \$250,000 loans to support a CDFI that specializes in small business lending.

INVESTMENT TEST

First-Citizens Bank has a significant level of qualified investments in the assessment area. The bank exhibits good responsiveness to credit and community development needs and occasionally uses innovative and/or complex investments to support community development initiatives.

Investment and Grant Activity

The bank has a significant level of qualified investments in the Austin MSA assessment area. Qualified investments total \$7.2 million or 22.9 percent of Texas qualified investments. Investments include \$2.2 million in two nationwide GNMA MBS investments supporting affordable housing projects in the assessment area. Prior period investments include \$3.7 million in 2 nationwide GNMA MBS investments supporting housing projects in the assessment area, 1 nationwide investment supporting affordable housing, of which \$821,577 benefited the assessment area, and 3 SBA pools totaling \$424,191 that supported economic development in assessment area. Further, the bank made 12 donation or grant contributions totaling \$13,055. Of these contributions, \$2,500 benefited affordable housing, \$6,555 benefited community services and \$4,000 benefited economic development. Provided below are examples of donations that benefited the assessment area.

- \$4,000 to an organization that promotes economic development.
- \$2,500 to an organization that provides affordable housing counseling to low- and moderate-income individuals.

SERVICE TEST

First-Citizens Bank's delivery systems are accessible to limited portions of the Austin MSA assessment area. The institution's opening and closing of branches has not adversely affected the accessibility of its delivery systems. Services and business hours do not vary in a way that inconveniences certain portions of the assessment area, particularly low- and moderate-income

geographies, or individuals. The bank provided an adequate level of community development services.

Accessibility of Delivery Systems

Delivery systems are accessible to limited portions of the assessment area. The conclusions regarding the accessibility of delivery systems for the assessment area are less favorable than the institution overall and consistent with the Texas rated area. The bank operates no branches in low-income tracts or moderate-income tracts.

Branch Distribution by Geography Income Level Austin MSA Assessment Area						
Tract Income Level	Census Tracts		Population		Branches	
	#	%	#	%	#	%
Low	35	11.4	178,800	11.2	0	0.0
Moderate	61	19.9	309,330	19.4	0	0.0
Middle	109	35.5	565,180	35.4	0	0.0
Upper	96	31.3	521,362	32.37	4	100.0
NA	6	1.9	20,565	1.3	0	0.0
Total	307	100.0	1,595,327	100.0	4	100.0
<i>Source: 2015 ACS Data and Bank Data</i>						

Changes in Branch Locations

To the extent changes have been made, the institution’s opening and closing of branches has not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and/or to low- and moderate-income individuals. Since the previous evaluation, the bank opened two branches located in upper-income tracts. Additionally, the bank closed one branch located in an upper-income tract due to the close proximity of one of the newly opened branches, located approximately 1.5 miles away.

Community Development Services

First-Citizens Bank provided an adequate level of community development services in the assessment area. Bank employees and Board members provided 12 instances for 69 hours of community development service. These services equate to 1.0 instance and 5.8 hours of community development service per branch per year. This performance accounts for 0.3 percent of the bank-wide community development services and 42.9 percent of state-wide community development services by number of hours. The level of community development services is below the percentage of branches within the assessment area at 0.8 percent bank-wide and 62.8 percent state-wide. The bank engaged in 10 instances of community development service at the previous evaluation. The following are examples of community development services provided.

- An employee is a Trustee for a non-profit organization that provides housing to families facing homelessness.
- An employee provided a presentation to a local business incubator on how and where to

- obtain loans and other bank products for small businesses.
- An employee is on the Board of a foundation that offers dental services to the underserved community, focusing on low- and moderate-income individuals.

OTHER ASSESSMENT AREAS – Limited-Scope Review

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE LIMITED-SCOPE ASSESSMENT AREAS

The following table summarizes the conclusions for the two Texas assessment areas reviewed using limited-scope examination procedures. Conclusions regarding the institution’s CRA performance within the limited-scope areas were derived from reviewing available facts and data, including performance data, aggregate lending data comparisons, and demographic information. The conclusions did not alter the bank’s overall performance rating.

Assessment Area	Lending Test	Investment Test	Service Test
Dallas MSA	Consistent	Above	Above
Houston MSA	Above	Consistent	Below

The branch distribution and alternative delivery systems for the limited-scope assessment areas varied with the Dallas MSA assessment area distribution more favorable and the Houston MSA assessment less favorable than the overall institution. Additionally, the service hours, loan and deposit products, services, and branch hours do not inconvenience low- and moderate-income individuals or areas.

A summary of First-Citizens Bank’s operations and activities for limited-scope areas, as well as geographic distribution and borrower profile data for 2020 are presented below. Demographic data and market share information for the limited-scope assessment areas are detailed in the Appendices

Dallas-Plano-Irving MSA Assessment Area

The Dallas-Plano-Irving, TX MSA comprises seven counties; however, the bank only delineated Dallas County and Collin County as the assessment area. First-Citizens Bank operates two branches in this assessment area, which accounts for 25.0 percent of state-wide branches. In addition, the assessment area accounts for 16.0 percent of state-wide lending and 15.2 percent of statewide deposits. The following activities occurred in the assessment area during the review period.

Activity	#	\$(000s)
Home Mortgage Loans	8	3,754
Small Business Loans	361	45,591
Community Development Loans	6	300
Investments (New)	5	3,760 *
Investments (Prior Period)	5	11,500 **
Donations	8	6
Community Development Services	6	76 hours
<i>Small business and home mortgage lending volumes are based on the combined 2019, 2020, and 2021 lending data, while the community development loans, qualified investments, and community development services are from previous evaluation through December 31, 2021. Qualified investments also include those from prior periods that remain outstanding.</i> <i>* The bank invested in five nationwide GNMA MBS supporting affordable housing, of which \$3.8 million benefited the Dallas MSA assessment area.</i> <i>**The bank invested in two prior period nationwide GNMA MBS supporting affordable housing, of which \$9.1 million benefited the Dallas MSA assessment area. In addition, in the prior period, the bank purchased 3 SBA pools totaling \$2.4 million, which supported economic development in assessment area.</i>		

Geographic Distribution and Borrower Profile

Geographic Distribution of Small Business Loans Dallas MSA Assessment Area						
Tract Income Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
Low	8.0	8.8	12	7.3	1,127	5.6
Moderate	19.5	20.9	18	10.9	4,211	20.8
Middle	24.2	22.1	39	23.6	4,493	22.2
Upper	47.2	47.0	94	57.0	10,141	50.1
Not Available	1.1	1.2	2	1.2	279	1.4
Totals	100.0	100.0	165	100.0	20,251	100.0
<i>Source: 2015 ACS; 2020 CRA Data; and, 2020 CRA Aggregate Data. Due to rounding, totals may not equal 100.0 percent.</i>						

Distribution of Small Business Loans by Gross Annual Revenue Category Dallas MSA Assessment Area						
Gross Revenue Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
<=\$1,000,000	88.1	37.5	81	49.1	7,016	34.6
>\$1,000,000	4.3	--	56	33.9	10,208	50.4
Revenue Not Available	7.7	--	28	17.0	3,027	14.9
Totals	100.0	100.0	165	100.0	20,251	100.0
<i>Source: 2020 D&B Data; 2020 CRA Data; and, 2020 CRA Aggregate Data. "--" data not available. Due to rounding, totals may not equal 100.0 percent.</i>						

Houston-The Woodlands-Sugar Land MSA Assessment Area

The Houston-The Woodlands-Sugar Land, TX MSA comprises nine counties; however, the bank delineated only Fort Bend County and Harris County as the assessment area. First-Citizens Bank operates two branches in this assessment area, which accounts for 25.0 percent of state-wide branches. In addition, the assessment area accounts for 25.0 percent of state-wide lending by dollar volume, 19.6 percent of state-wide lending by number of loans, and 22.0 percent of state-wide deposits. The following activities occurred in the assessment area during the review period.

Activity	#	\$(000s)
Home Mortgage Loans	4	768
Small Business Loans	366	76,131
Community Development Loans	6	16,927
Investments (New)	2	3,600*
Investments (Prior Period)	5	5,500**
Donations	4	5
Community Development Services	6	16 hours
<i>Small business and home mortgage lending volumes are based on the combined 2019, 2020, and 2021 lending data, while the community development loans, qualified investments, and community development services are from previous evaluation through December 31, 2021. Qualified investments also include those from prior periods that remain outstanding.</i>		
<i>* The bank invested in a nationwide GNMA MBS supporting affordable housing, of which \$1.7 million benefited the Houston MSA assessment area. Additionally, the bank invested in a nationwide investment supporting affordable housing, of which \$1.9 million benefited the assessment area.</i>		
<i>**In prior period investments, the bank invested in 5 SBA pools totaling \$5.5 million, which supported economic development in this assessment area.</i>		

Geographic Distribution and Borrower Profile

Geographic Distribution of Small Business Loans Houston MSA Assessment Area						
Tract Income Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
Low	11.0	11.5	24	13.1	5,497	17.5
Moderate	18.6	18.9	18	9.8	4,764	15.2
Middle	21.3	22.0	25	13.7	5,173	16.5
Upper	48.9	47.5	116	63.4	15,893	50.7
Not Available	0.2	0.2	0	0.0	0	0.0
Totals	100.0	100.0	183	100.0	31,327	100.0
<i>Source: 2015 ACS; 2020 CRA Data; and, 2020 CRA Aggregate Data. Due to rounding, totals may not equal 100.0 percent.</i>						

**Distribution of Small Business Loans by Gross Annual Revenue Category
Houston MSA Assessment Area**

Gross Revenue Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
<=\$1,000,000	87.8	37.7	48	26.2	9,338	29.8
>\$1,000,000	4.7	--	59	32.2	8,481	27.1
Revenue Not Available	7.6	--	76	41.5	13,508	43.1
Totals	100.0	100.0	183	100.0	31,327	100.0

Source: 2020 D&B Data; 2020 CRA Data; and, 2020 CRA Aggregate Data.

"--" data not available.

Due to rounding, totals may not equal 100.0 percent.

WISCONSIN

CRA RATING FOR WISCONSIN: SATISFACTORY

The Lending Test is rated: High Satisfactory

The Investment Test is rated: High Satisfactory

The Service Test is rated: Low Satisfactory

DESCRIPTION OF INSTITUTION'S OPERATIONS IN WISCONSIN

The evaluation of the Wisconsin performance considered the operations of First-Citizens Bank in two assessment areas, which are detailed in the Description of Assessment Areas. There have been no changes to the assessment areas since the last evaluation. The bank operates nine or 1.7 percent of its branch offices in Wisconsin. Wisconsin accounts for 1.0 percent of bank-wide loans by dollar volume, 0.7 percent of bank-wide loans by number of loans, and 1.4 percent of the bank-wide deposits. Overall, First-Citizens Bank ranks 44th in the state in deposit market share at 0.3 percent. Competitor institutions in the assessment areas include U.S. Bank, NA; BMO Harris Bank, NA; and JPMorgan Chase Bank, NA. Together, the three competitor institutions account for 70.9 percent of the market share.

SCOPE OF EVALUATION – WISCONSIN

Examiners conducted a full-scope review of performance in the Milwaukee MSA assessment area. A significant portion of the loans (94.1 percent), deposits (94.6 percent), and branches (88.9 percent) in Wisconsin are concentrated in this assessment area. Therefore, the analysis, conclusions, and ratings for Wisconsin are predicated on the performance in the Milwaukee MSA assessment area. Examiners conducted a limited-scope review of performance in the Racine MSA assessment area. Overall, small business loans constitute the primary loan type in Wisconsin with 67.8 percent of lending by number of loans and 66.1 percent of lending by dollar volume. Similar levels are noted in the Milwaukee MSA assessment area. For the limited-scope assessment area, home mortgage and small business lending were comparable by number of loans at 51.9 percent and 48.1 percent, respectively, and represented 66.1 percent of lending by dollar volume. Therefore, the small business loans received more weight in the overall analysis and conclusions. Home mortgage and small business loans were not reviewed in the Racine MSA assessment area for 2019 and 2021 given the limited volume originated for each product type. Small farm loans were not included in the analysis due to the nominal number and dollar amount of small farm loans originated.

CONCLUSIONS ON PERFORMANCE CRITERIA IN WISCONSIN

LENDING TEST

The Lending Test rating for Wisconsin is High Satisfactory. Lending levels reflect adequate responsiveness to the Wisconsin assessment areas' credit needs. The geographic distribution reflects good penetration throughout the assessment areas, and the borrower profile reflects excellent distribution of loans to borrowers of different incomes and businesses of different sizes.

The institution uses innovative and/or flexible lending practices and originated few, if any, community development loans.

Lending Activity

Lending levels reflect good responsiveness to the Wisconsin MSA assessment areas' credit needs. The tables presented in each assessment area detail the number and dollar volume of home mortgage and small business loans originated in 2020.

Geographic Distribution

The overall geographic distribution of home mortgage and small business loans is good.

The geographic distribution of both home mortgage and small business loans reflects good penetration throughout the assessment areas.

Borrower Profile

The overall distribution of home mortgage loans to borrowers of different incomes and small business loans to businesses of different sizes is excellent. Home mortgage lending to borrowers of different incomes was considered good with small business lending noted as excellent.

Community Development Loans

First-Citizens Bank originated few, if any, community development loans in Wisconsin. During this evaluation period, the bank originated three community development loans totaling \$600,000. This represents 0.5 percent by number and less than 1.0 percent by dollar volume of total bank-wide community development loans. The analysis for the full-scope Milwaukee MSA assessment area includes a detailed discussion of community development loans.

INVESTMENT TEST

The Investment Test is rated High Satisfactory. First-Citizens Bank has a significant level of qualified investments in Wisconsin. The bank exhibits good responsiveness to credit and community development needs and occasionally uses innovative and/or complex investments to support community development initiatives.

Investment and Grant Activity

The bank has a significant level of qualified investments in Wisconsin. Qualified investments total \$8.9 million or 1.4 percent of bank-wide qualified investments. Investments include one nationwide GNMA MBS supporting affordable housing projects, of which \$8.4 million benefited an assessment area in Wisconsin. Additionally, the bank purchased two certificates of deposit totaling \$512,565 at an MDI located in Wisconsin. The bank also made 43 donations for \$33,100. Please refer to the full-scope assessment area for examples.

SERVICE TEST

The Service Test rating is Low Satisfactory in Wisconsin. First-Citizens Bank’s delivery systems are reasonably accessible to essentially all portions of the assessment areas, and the opening and closing of branches has adversely affected the accessibility of its delivery systems, particularly with respect to low- and moderate-income geographies or individuals. Services and business hours do not vary in a way that inconveniences certain portions of the assessment areas, particularly low- and moderate-income geographies, or individuals. The bank provided a relatively high level of community development services.

Accessibility of Delivery Systems

Delivery systems are reasonably accessible to essentially all portions of the assessment area. The conclusions regarding the accessibility of delivery systems for the rated area are less favorable than the institution overall. The bank operates no branches in low-income tracts. Branching in moderate-income tracts is above the percentage of the population. Additionally, the bank operates two of nine ATMs (22.2 percent) in moderate-income tracts.

Branch Distribution by Geography Income Level Wisconsin Rated Area						
Tract Income Level	Census Tracts		Population		Branches	
	#	%	#	%	#	%
Low	102	22.3	275,363	16.4	0	0.0
Moderate	77	16.8	272,786	16.3	2	22.2
Middle	152	33.3	597,580	35.6	6	66.7
Upper	121	26.5	530,314	31.6	1	11.1
NA	5	1.1	1,585	0.1	0	0.0
Total	457	100.0	1,677,628	100.0	9	100.0
<i>Source: 2015 ACS Data and Bank Data</i>						

Changes in Branch Locations

To the extent changes have been made, the institution’s opening and closing of branches has adversely affected the accessibility of delivery systems, particularly in low- and moderate-income geographies and/or to low- and moderate-income individuals. Since the previous evaluation, the bank has opened one branch and closed six branches throughout Wisconsin. As shown in the table below, the net effect was a decrease of two branches in low-income tracts, four in middle-income tracts, and an increase of one branch in upper-income tracts. Details of changes in branch locations are contained within the full-scope assessment area.

Net Distribution of Branch Openings/Closings						
Assessment Area	# of Branch Openings	# of Branch Closings	Income Level of Census Tract (+/-)			
			Low	Moderate	Middle	Upper
Milwaukee MSA	1	6	-2	0	-4	+1
Racine MSA	0	0	0	0	0	0
Total	1	6	-2	0	-4	+1

Source: Bank Data

Community Development Services

First-Citizens Bank provided a relatively high level of community development services in Wisconsin. Bank employees and Board members provided 46 instances and 599 hours of community development service in Wisconsin. These services equate to 1.7 instances and 22.2 hours of community development service per branch per year. This performance represented 2.3 percent of the bank-wide community development services by number of services. The level of community development services is greater than the percentage of branches within the assessment area at 1.7 percent. Employees are involved in community development organizations that primarily provide economic development and community services for low- and moderate-income individuals and areas. The institution provided 13 instances of community development service at the previous evaluation. Refer to the Milwaukee MSA assessment area for examples.

Community Development Services										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	Hours	#	Hours	#	Hours	#	Hours	#	Hours
Milwaukee MSA	1	2	31	202	8	348	2	2	42	554
Racine MSA	1	2	3	43	0	0	0	0	4	45
Wisconsin	2	4	34	245	8	348	2	2	46	599

Source: Bank Data

MILWAUKEE MSA ASSESSMENT AREA – Full-Scope Review

DESCRIPTION OF INSTITUTION’S OPERATIONS IN THE MILWAUKEE MSA ASSESSMENT AREA

The Milwaukee-Waukesha, WI MSA includes four counties; however, the bank delineated Milwaukee, Washington, and Waukesha Counties as the assessment area. There have been no changes to the assessment area since the last evaluation. The bank operates eight branches or 88.9 percent of its Wisconsin branch offices in the Milwaukee MSA assessment area. The assessment area represents 94.1 percent of the state-wide loans by dollar volume, 94.9 percent of state-wide loans by number, and 94.6 percent of the state-wide deposits.

Economic and Demographic Data

The assessment area consists of 412 tracts, including 99 low-income tracts, 68 moderate-income tracts, 131 middle-income tracts, and 112 upper-income tracts. Two tracts have no income designation. The following table presents demographic information from the 2015 ACS Census and 2020 D&B data.

Demographic Information for the Milwaukee MSA Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	412	24.0	16.5	31.8	27.2	0.5
Population by Geography	1,482,733	17.7	15.7	33.3	33.3	0.0
Housing Units by Geography	634,882	17.0	16.0	35.0	32.0	0.0
Owner-Occupied Units by Geography	350,075	7.9	12.8	36.1	43.2	0.0
Occupied Rental Units by Geography	239,528	26.5	20.7	35.4	17.4	0.0
Vacant Units by Geography	45,279	37.5	16.0	24.0	22.5	0.0
Businesses by Geography	85,470	11.8	12.7	34.7	40.8	0.0
Farms by Geography	1,815	6.4	8.3	37.4	47.9	0.0
Family Distribution by Income Level	363,789	24.4	16.3	19.4	39.9	0.0
Household Distribution by Income Level	589,603	25.8	15.6	17.1	41.5	0.0
Median Family Income - Milwaukee-Waukesha, WI MSA	\$71,764	Median Housing Value				\$182,616
		Median Gross Rent				\$841
		Families Below Poverty Level				11.7%
<i>Source: 2015 ACS and 2020 D&B Data</i> <i>Due to rounding, totals may not equal 100.0 percent</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

The Geographic Distribution criterion compares home mortgage loans to the distribution of owner-occupied housing units and compares small business loans to the percentage of businesses and farms located in low-, moderate-, middle-, and upper-income tracts. The 2015 ACS data shows a

majority of owner-occupied housing units and businesses are within the middle- and upper-income tracts, indicating most of the lending opportunities will be in these geographies. The remaining businesses are evenly disbursed within the low- and moderate-income tracts providing opportunities for lending. Moderate-income tracts also contain a fair level of owner-occupied housing units and businesses, while fewer opportunities are indicated in the low-income tracts.

The FFIEC updated Milwaukee-Waukesha, WI MSA MFIs were used to analyze home mortgage loans under the Borrower Profile criterion. The following table presents each income category.

Milwaukee MSA – Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
2019 (\$82,300)	<\$41,150	\$41,150 to <\$65,840	\$65,840 to <\$98,760	≥\$98,760
2020 (\$83,800)	<\$41,900	\$41,900 to <\$67,040	\$67,040 to <\$100,560	≥\$100,560
2021 (\$84,400)	<\$42,200	\$42,200 to <\$67,520	\$67,520 to <\$101,280	≥\$101,280
<i>Source: FFIEC</i>				

The analysis of home mortgage lending by borrower income uses families by income level as a comparison to bank performance. The median housing value is over \$182,000, and prices are continuing to rise due to the current economic conditions, which can potentially make housing increasingly unaffordable for low-income individuals. Therefore, lending opportunities to low-income families may be limited.

The analysis of small business loans under the Borrower Profile criterion compares the distribution of small business lending by gross annual revenue. The D&B 2020 distribution of businesses based on gross annual revenues is listed below.

- 80.4 percent reported \$1 million or less;
- 8.2 percent reported more than \$1 million; and
- 11.4 percent did not report revenues.

In 2020, the top industries were Education and Health Services; Professional and Business Services; and, Manufacturing. Additionally, approximately 84.1 percent of area businesses have nine or fewer employees. The top employers were Aurora Health Care, Inc.; Froedtert Health; Ascension Wisconsin; Quad Graphics, Inc.; and Medical College Wisconsin.

The 2020 unemployment rates increased sharply due to the COVID-19 pandemic. The unemployment rate for 2021 has dropped sharply, although the rates in all three counties are above the pre-pandemic levels with Milwaukee County well above the pre-pandemic level. Unemployment rates in Washington and Waukesha Counties were below the state and national averages. Unemployment rates in Milwaukee County were comparable to the national average but higher than state averages.

Unemployment Rates			
Area	2019	2020	2021
	%	%	%
Milwaukee County	3.8	8.3	5.5
Washington County	2.7	5.7	3.1
Waukesha County	2.8	5.6	3.1
Wisconsin	3.2	6.4	3.8
National Average	3.7	8.1	5.2
<i>Source: Bureau of Labor Statistics</i>			

Competition

The assessment area is highly competitive. According to the FDIC Deposit Market Share data as of June 30, 2021, 43 FDIC-insured institutions operate 418 branches within the assessment area. Of these institutions, First-Citizens Bank ranked 18th with a market share of 0.7 percent. Competitor institutions in the assessment areas include U.S. Bank, NA; BMO Harris Bank, NA; and JPMorgan Chase Bank, NA. Together, the three competitor institutions account for 65.8 percent of the market share.

There is a high level of competition for home mortgage loans among banks, credit unions, and non-depository mortgage lenders. Aggregate data for 2020 shows 562 lenders reported 87,448 residential mortgage loans originated or purchased indicating high competition. First-Citizens Bank ranked 96th with a market share of 0.2 percent. The five dominant home mortgage lenders accounted for 27.1 percent of total market share by number.

In addition, there is a high level of competition for business loans within the assessment area. Aggregate data for 2020 shows 175 lenders reported 30,801 small business loans originated or purchased in the assessment area. Overall, First-Citizens Bank ranked 22nd with 0.9 percent market share by number of loans and 14th by dollar volume with a 1.9 percent market share. The five dominant small business lenders accounted for 49.0 percent of the total market share by number.

Community Contacts

As part of the CRA evaluation process, examiners contact third parties active in the assessment area to assist in identifying the credit and community development needs. This information helps determine whether local financial institutions are responsive to these needs. It also shows what credit and community development opportunities are available. Examiners referenced two recent community contacts within the Milwaukee MSA assessment area.

The first contact was a housing organization that provides services to Milwaukee and Waukesha Counties. The contact stated the need for affordable housing is great due to increasing home values in the area. In addition, the construction of affordable housing is low due to the increasing cost of construction. Both of these issues have made homeownership difficult for low- and moderate-income individuals. The contact felt that COVID-19 has not significantly affected the availability of affordable housing since both issues were problems before the pandemic. The contact stated that financial institutions should participate more in down-payment assistance programs, offer more

products for rehabilitation loans, and utilize non-traditional credit to evaluate low- and moderate-income applicants. Furthermore, the contact said there was a need for banks to offer small-dollar loans to help individuals who might otherwise pay higher interest rates and fees with a payday lender.

The second contact was a government branch dedicated, in part, to fostering economic development. This contact stated that area businesses are seeking to grow and expand, with growth areas noted in technology, manufacturing, engineering, and healthcare. However, area businesses are experiencing supply chain issues due to the pandemic, as well as a labor shortage that has been occurring for some time. The contact noted that there are not enough qualified workers to fulfill the numerous job vacancies, and workforce re-training efforts have been insufficient. However, the contact mentioned that banks appear to be meeting the area's financing needs.

The contact also noted that the high housing costs in the area have been prohibitive to attracting additional workforce to the area. For example, high home purchase prices have not allowed many people to be able to live and work in Waukesha County. Efforts to improve the supply of affordable housing are ongoing. The county is planning an increase in multi-family housing, and zoning laws are changing to allow more single-family units per acre in some Waukesha County communities.

The contact said that ample funds are available for rent and utility assistance for low- and moderate-income residents, many of whom are in the retail and service industries. The contact felt that banks are sufficiently involved in the community and is not aware of any unmet credit needs.

Credit and Community Development Needs and Opportunities

Considering information from the community contacts and economic and demographic data, examiners determined the primary needs and opportunities in the assessment area are affordable housing, housing rehabilitation loans, and small business loans. The percentage of families in the low- and moderate-income categories and 11.7 percent of families below the poverty level support this conclusion. Additionally, the significant percentage of businesses with gross annual revenues of \$1 million or less and the large number of businesses with four or fewer employees (84.1 percent) support this conclusion.

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE MILWAUKEE-WAUKESHA MSA ASSESSMENT AREA

LENDING TEST

Lending levels in the Milwaukee MSA assessment area reflect adequate responsiveness to assessment area credit needs. The geographic distribution reflects good penetration throughout the assessment area, and the borrower profile reflects excellent distribution of loans among businesses of different sizes and borrowers of different income levels. The institution uses innovative and/or flexible lending practices and originated few, if any, community development loans.

Lending Activity

Lending levels reflect adequate responsiveness to the assessment area's credit needs. The tables presented below detail the number and dollar volume of 2020 small business and home mortgage loans in this assessment area.

Geographic Distribution

The geographic distribution of loans is good.

Small Business Loans

The geographic distribution of small business loans reflects good penetration throughout the assessment area. In 2020, lending in both low- and moderate-income tracts was just below demographic data and comparable to aggregate lending data. For 2019, lending in low-income tracts at 14.1 percent was above aggregate lending of 8.8 percent and demographic data of 11.7 percent. Lending in moderate-income tracts in 2019 stood at 20.2 percent, which was well above the aggregate lending of 11.2 percent and demographic data of 12.8 percent.

Geographic Distribution of Small Business Loans Milwaukee MSA Assessment Area						
Tract Income Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
Low	11.8	10.0	33	10.4	3,992	7.2
Moderate	12.7	11.6	35	11.0	6,347	11.5
Middle	34.7	33.3	98	30.9	15,508	28.0
Upper	40.8	45.0	151	47.6	29,444	53.3
Totals	100.0	100.0	317	100.0	55,291	100.0

Source: 2015 ACS; 2020 CRA Data; and, 2020 CRA Aggregate Data.
Due to rounding, totals may not equal 100.0 percent.

Home Mortgage Loans

The geographic distribution of home mortgage loans is good. Lending in low-income tracts was below demographic data but exceeded aggregate lending data. Lending in moderate-income tracts exceeded demographic data and was well above aggregate lending data.

Geographic Distribution of Home Mortgage Loans Milwaukee MSA Assessment Area						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low	7.9	2.9	6	4.7	362	1.5
Moderate	12.8	8.8	18	14.1	2,129	8.6
Middle	36.1	34.2	57	44.5	8,060	32.7
Upper	43.2	54.1	47	36.7	14,087	57.2
Totals	100.0	100.0	128	100.0	24,638	100.0

Source: 2015 ACS; 2020 HMDA Data; and, 2020 HMDA Aggregate Data.

Borrower Profile

The distribution of small business loans to businesses of different sizes and home mortgage loans to borrowers of different incomes is excellent.

Small Business Loans

The distribution of small business loans reflects excellent penetration to businesses with gross annual revenues of \$1 million or less. Lending to small businesses was significantly below demographic data but significantly exceeded aggregate lending data.

Distribution of Small Business Loans by Gross Annual Revenue Category Milwaukee MSA Assessment Area						
Gross Revenue Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
<=\$1,000,000	80.4	37.6	182	57.4	19,681	35.6
>\$1,000,000	8.2	--	111	35.0	32,143	58.1
Revenue Not Available	11.4	--	24	7.6	3,467	6.3
Totals	100.0	100.0	317	100.0	55,291	100.0

*Source: 2020 D&B Data; 2020 CRA Data; and, 2020 CRA Aggregate Data.
"--" data not available.*

Home Mortgage Loans

The distribution of home mortgage loans reflects good penetration among borrowers of different incomes. Lending to low-income borrowers was significantly below the percent of low-income families; however, exceeded aggregate lending data. Lending to moderate-income borrowers exceeded both the demographic and aggregate lending data.

Distribution of Home Mortgage Loans by Borrower Income Level Milwaukee MSA Assessment Area						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low	24.4	5.1	8	6.3	635	2.6
Moderate	16.3	17.6	25	19.5	2,778	11.3
Middle	19.4	22.3	27	21.1	3,935	16.0
Upper	39.9	42.7	53	41.4	13,684	55.5
Not Available	0.0	12.3	15	11.7	3,607	14.6
Totals	100.0	100.0	128	100.0	24,638	100.0

Source: 2015 ACS; 2020 HMDA Data; and, 2020 HMDA Aggregate Data.

Community Development Loans

First-Citizens Bank originated few, if any, community development loans in the Milwaukee MSA assessment area. The bank originated three community development loans totaling \$600,000, which represents all community development lending in Wisconsin. Regarding the community development purpose, two loans support community services, and one loan supports economic development. An example of community development loans include a \$150,000 line of credit to a CDFI that provides economic development assistance to minority-owned small businesses.

INVESTMENT TEST

First-Citizens Bank has a significant level of qualified investments in the assessment area. The bank exhibits good responsiveness to credit and community development needs and occasionally uses innovative and/or complex investments to support community development initiatives.

Investment and Grant Activity

The bank has a significant level of qualified community development investments in the Milwaukee MSA assessment area. Qualified investments total \$8.9 million or 99.9 percent of Wisconsin qualified investments. Investments include a nationwide GNMA MBS supporting affordable housing projects, of which \$8.4 million benefited the assessment area. Additionally, the bank purchased two certificates of deposit totaling \$512,565 at an MDI located in the assessment area. Further, the bank made 39 donation or grant contributions totaling \$31,100. Of these contributions, \$6,250 benefited affordable housing, \$16,350 benefited community services, and \$8,500 benefited economic development. Provided below are examples of donations that benefited the assessment area.

- \$6,000 to an organization that provides economic development opportunities to women-owned businesses.
- \$3,000 to a non-profit organization that provides affordable housing counseling to low- and moderate-income individuals.

SERVICE TEST

First-Citizens Bank’s delivery systems are reasonably accessible to essentially all portions of the Milwaukee MSA assessment area. The institution’s opening and closing of branches has adversely affected the accessibility of its delivery systems. Services and business hours do not vary in a way that inconveniences certain portions of the assessment area, particularly low- and moderate-income geographies, or individuals. The bank provided a relatively high level of community development services.

Accessibility of Delivery Systems

Delivery systems are reasonably accessible to essentially all portions of the assessment area. The conclusions regarding the accessibility of delivery systems for the assessment area are less favorable than the institution overall and consistent with the Wisconsin rated area. The bank operates no branches in low-income tracts; however, the bank’s level of branching in the moderate-income tracts is generally comparable to the population percentage in those tracts. Additionally, the bank operates one of eight ATMs (12.5 percent) in a moderate-income tract.

Branch Distribution by Geography Income Level Milwaukee MSA Assessment Area						
Tract Income Level	Census Tracts		Population		Branches	
	#	%	#	%	#	%
Low	99	24.0	262,370	17.7	0	0.0
Moderate	68	16.5	233,178	15.7	1	12.5
Middle	131	31.8	493,731	33.3	6	75.0
Upper	112	27.2	493,454	33.3	1	12.5
NA	2	0.5	0	0.0	0	0.0
Total	412	100.0	1,482,733	100.0	8	100.0
<i>Source: 2015 ACS Data and Bank Data</i>						

Changes in Branch Locations

To the extent changes have been made, the institution’s opening and closing of branches has adversely affected the accessibility of its delivery systems, particularly in low- income geographies and to low- and moderate-income individuals. Since the previous evaluation, the bank opened one branch located in an upper-income tract. Additionally, the bank closed six branches, with two located in low-income tracts and four located in middle-income tracts. The closure of the two low-income tract branches resulted in no remaining branches in low-income tracts. The bank does operate a branch located in a moderate-income tract approximately 5.6 and 3.9 miles away, respectively, from the two low-income tract branch closures.

Community Development Services

First-Citizens Bank provided a relatively high level of community development services in the Milwaukee assessment area. Bank employees and Board members provided 42 instances for 554 hours of community development service. These services equate to 1.8 instances and 23.1 hours of

community development service per branch per year. This performance accounts for 2.1 percent of the bank-wide community development services and 92.5 percent of state-wide community development services by number of hours. The level of community development services is above the percentage of branches within the assessment area at 1.5 percent bank-wide and 88.8 percent state-wide. The bank engaged in 11 instances of community development service at the previous evaluation. The following are examples of community development services provided.

- An employee serves on the Loan Review Committees for a Chamber of Commerce and a CDFI, whose missions are to provide economic development assistance in business planning, market analysis, marketing strategies, and effective day-to-day business operations. The Chamber acts as an advocate for the Hmong and Asian American communities in Wisconsin regarding business and economic issues.
- Several employees teach financial literacy classes to clients of a local non-profit organization, whose mission is to empower families in low- and moderate income census tracts to move out of poverty by offering adult education, youth development, workforce development, and family engagement.
- An employee gave a presentation on financial literacy and entrepreneurship to clients of a non-profit organization, whose mission is to teach business ownership/entrepreneurship to youth and to promote startup businesses by youth by empowering low- and moderate-income children and providing solutions to pursue their goals.

OTHER ASSESSMENT AREAS – Limited-Scope Review

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE LIMITED-SCOPE ASSESSMENT AREAS

The following table summarizes the conclusions for the Wisconsin assessment area reviewed using limited-scope examination procedures. Conclusions regarding the institution's CRA performance within the limited-scope area was derived from reviewing available facts and data, including performance data, aggregate lending data comparisons, and demographic information. The conclusions did not alter the bank's overall performance rating.

Assessment Area	Lending Test	Investment Test	Service Test
Racine MSA	Below	Below	Above

The branch distribution and alternative delivery systems for the limited-scope assessment area is above the overall institution. Additionally, the service hours, loan and deposit products, services, and branch hours do not inconvenience low- and moderate-income individuals or areas.

A summary of First-Citizens Bank's operations and activities for the limited-scope area, as well as geographic distribution and borrower profile data for 2020 are presented below. Demographic data and market share information for the limited-scope assessment area are detailed in the Appendices.

Racine MSA Assessment Area

The Racine MSA assessment area consists of Racine County, which comprises the entire Racine, WI MSA. First-Citizens Bank operates one branch in this assessment area, which accounts for 11.1 percent of state-wide branches. In addition, the assessment area accounts for 5.9 percent of state-wide lending by dollar volume, 5.1 percent of state-wide lending by number of loans, and 5.4 percent of state-wide deposits. The following activities occurred in the assessment area during the review period.

Activity	#	\$(000s)
Home Mortgage Loans	28	5,342
Small Business Loans	26	4,774
Community Development Loans	--	--
Investments (New)	--	--
Investments (Prior Period)	--	--
Donations	4	2
Community Development Services	4	45 hours
<i>Small business and home mortgage lending volumes are based on the combined 2019, 2020, and 2021 lending data, while the community development loans, qualified investments, and community development services are from previous evaluation through December 31, 2021. Qualified investments also include those from prior periods that remain outstanding.</i>		

Geographic Distribution and Borrower Profile

Geographic Distribution of Home Mortgage Loans Racine MSA Assessment Area						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low	2.7	1.0	1	7.1	751	25.9
Moderate	16.1	12.2	3	21.4	978	33.7
Middle	57.4	59.6	6	42.9	627	21.6
Upper	23.6	27.0	4	28.6	547	18.8
Not Available	0.2	0.2	0	0.0	0	0.0
Totals	100.0	100.0	14	100.0	2,902	100.0
<i>Source: 2015 ACS; 2020 HMDA Data; and, 2020 HMDA Aggregate Data.</i>						

Geographic Distribution of Small Business Loans Racine MSA Assessment Area						
Tract Income Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
Low	5.2	4.7	0	0.0	0	0.0
Moderate	18.6	19.1	1	7.1	36	1.2
Middle	53.5	52.9	10	71.4	2,811	97.2
Upper	19.6	20.3	2	14.3	44	1.5
Not Available	3.0	3.0	1	7.1	1	0.0
Totals	100.0	100.0	14	100.0	2,892	100.0

Source: 2020 D&B Data; 2020 CRA Data; and, 2020 CRA Aggregate Data.
 "--" data not available.
 Due to rounding, totals may not equal 100.0 percent.

Distribution of Home Mortgage Loans by Borrower Income Level Racine MSA Assessment Area						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low	20.0	8.1	1	7.1	104	3.6
Moderate	17.8	19.5	4	28.6	452	15.6
Middle	21.9	24.0	4	28.6	532	18.3
Upper	40.3	33.3	3	21.4	1,663	57.3
Not Available	0.0	15.0	2	14.3	152	5.2
Totals	100.0	100.0	14	100.0	2,902	100.0

Source: 2015 ACS; 2020 HMDA Data; and, 2020 HMDA Aggregate Data.
 Due to rounding, totals may not equal 100.0 percent.

Distribution of Small Business Loans by Gross Annual Revenue Category Racine MSA Assessment Area						
Gross Revenue Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
<=\$1,000,000	82.6	35.5	7	50.0	242	8.4
>\$1,000,000	6.5	--	6	42.9	2,632	91.0
Revenue Not Available	10.9	--	1	7.1	18	0.6
Totals	100.0	100.0	14	100.0	2,892	100.0

Source: 2020 D&B Data; 2020 CRA Data; and, 2020 CRA Aggregate Data.
 "--" data not available.

ARIZONA

CRA RATING FOR ARIZONA: SATISFACTORY

The Lending Test is rated: Low Satisfactory

The Investment Test is rated: High Satisfactory

The Service Test is rated: High Satisfactory

DESCRIPTION OF INSTITUTION'S OPERATIONS IN ARIZONA

The evaluation of the Arizona performance considered the operations of First-Citizens Bank in two assessment areas, which are detailed in the Description of Assessment Areas. There have been no changes to the assessment areas since the last evaluation. The bank operates three or 0.6 percent of its branch offices in Arizona. Arizona accounts for 1.5 percent of bank-wide loans by dollar volume, 1.2 percent of bank-wide lending by number of loans, and 0.8 percent of the bank-wide deposits. Overall, First-Citizens Bank ranks 32nd in the state in deposit market share at 0.2 percent. Competitor institutions in the assessment areas include JPMorgan Chase Bank, NA; Wells Fargo Bank, NA; and Bank of America, NA. Together, the three competitor institutions account for 64.6 percent of the market share.

SCOPE OF EVALUATION – ARIZONA

Examiners conducted a full-scope review of performance in the Phoenix MSA assessment area. A significant portion, 86.8 percent, of the loans by dollar volume, 87.5 percent of loans by number of loans, 92.8 percent of deposits, and 66.7 percent of branches in Arizona are concentrated in the assessment area. Therefore, the conclusions, analysis, and ratings for Arizona are predicated on performance in the Phoenix MSA assessment area. The Tucson MSA assessment area was reviewed using limited-scope procedures. Small business loans constitute the primary loan type in both assessment areas, comprising 91.9 percent of the loans by dollar volume and 96.4 percent by number of loans. Therefore, the conclusions are based on small business lending performance. Home mortgage loans were reviewed only in the Phoenix MSA assessment area given the nominal home mortgage lending in the Tucson MSA assessment area with only nine loans originated across the review period. Small farm loans are not included in the analysis due to the nominal number and dollar amount of small farm loans originated.

CONCLUSIONS ON PERFORMANCE CRITERIA IN ARIZONA

LENDING TEST

The Lending Test rating for Arizona is Low Satisfactory. Lending levels reflect adequate responsiveness to the Arizona assessment areas' credit needs. The geographic distribution reflects adequate penetration throughout the assessment areas, and the borrower profile reflects overall adequate distribution of lending to borrowers of different incomes and businesses of different sizes. The institution uses innovative and/or flexible lending practices and originated a relatively high level of community development loans.

Lending Activity

Lending levels reflect adequate responsiveness to the Arizona assessment areas' credit needs. The tables presented in each assessment area detail the number and dollar volume of home mortgage and small business loans originated in 2020.

Geographic Distribution

The overall geographic distribution of home mortgage and small business loans is adequate.

The adequate geographic distribution of home mortgage loans and small business loans is based upon the bank's small business lending performance given the significant level of small business lending compared to home mortgage lending. Small business lending is considered adequate, with home mortgage loans noted as poor.

Borrower Profile

The overall distribution of home mortgage loans to borrowers of different incomes and small business loans to businesses of different sizes is adequate.

The adequate distribution of home mortgage loans to borrowers of different incomes and small business loans of different sizes is based upon the bank's small business lending performance given the significant level of small business lending compared to home mortgage lending. Lending to small businesses is adequate, while lending to borrowers of different incomes is considered poor.

Community Development Loans

First-Citizens Bank originated a relatively high level of community development loans in Arizona. During this evaluation period, the bank originated six community development loans totaling \$11.2 million. This represents 1.1 percent by number and 1.3 percent by dollar volume of total bank-wide community development loans. The Phoenix MSA assessment area includes a detailed discussion of community development loans.

INVESTMENT TEST

The Investment Test is rated High Satisfactory. First-Citizens Bank has a significant level of qualified investments in Arizona. The bank exhibits good responsiveness to credit and community development needs and occasionally uses innovative and/or complex investments to support community development initiatives.

Investment and Grant Activity

The bank has a significant level of qualified investments in Arizona. Qualified investments total \$6.3 million or 1.0 percent of bank-wide qualified investments. Investments include one nationwide GNMA MBS project supporting affordable housing, of which \$805,124 benefited an assessment area in Arizona. The bank also made seven donations or grants totaling \$59,149. Prior

period investments include nine SBA pools totaling approximately \$5.4 million, which supported economic development and small businesses in an assessment area in Arizona. All investments are within the Phoenix MSA assessment area. Please refer to the full-scope assessment area for examples.

SERVICE TEST

The Service Test rating is High Satisfactory in Arizona. First-Citizens Bank’s delivery systems are accessible to limited portions of the assessment areas, and the opening and closing of branches has not adversely affected the accessibility of its delivery systems, particularly with respect to low- and moderate-income geographies or individuals. Services and business hours do not vary in a way that inconveniences certain portions of the assessment areas, particularly low- and moderate-income geographies, or individuals. The bank is a leader in providing community development services.

Accessibility of Delivery Systems

Delivery systems are accessible to limited portions of the Arizona assessment areas. The accessibility of delivery systems is less favorable than the overall institution. The bank operates two full-service branches and one limited-service branch in Arizona. All three branches are located in upper-income tracts. The bank does not operate any ATMs in the rated area. The branch distribution by geography income level is shown in the following table.

Arizona - Branch Distribution by Geography Income Level						
Tract Income Level	Census Tracts		Population		Branches	
	#	%	#	%	#	%
Low	124	10.8	535,851	10.7	0	0.0
Moderate	272	23.6	1,186,747	23.8	0	0.0
Middle	36	31.3	1,554,579	31.2	0	0.0
Upper	379	33.0	1,690,779	33.9	3	100.0
NA	15	1.3	17,696	0.4	0	0.0
Total	1,150	100.0	4,985,652	100.0	3	100.0
<i>Source: 2015 ACS Data and Bank Data</i>						

Changes in Branch Locations

To the extent changes have been made, the institution’s opening and closing of branches in Arizona has not adversely affected the accessibility of delivery systems, particularly in low- and moderate-income geographies and/or to low- and moderate-income individuals. Since the previous evaluation, the bank opened one branch in an upper-income tract and closed one branch in a non-designated income tract.

Community Development Services

First-Citizens Bank is a leader in providing community development services in Arizona. Bank employees and Board members provided 12 instances for 345 hours of community development service in Arizona. These services equate to 1.3 instances and 38.3 hours of community

development service per branch per year. The number of instances is comparable to previous performance. This performance represented 1.3 percent of the bank-wide community development services by number of hours. The level of community development services is higher than the percentage of branches within the assessment areas at 0.6 percent. Employees are involved in community development organizations that primarily provide economic development and community services for low- and moderate-income individuals and areas. The bank provided 15 community development services at the prior evaluation. Refer to the Phoenix MSA assessment area for examples.

Community Development Services										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	Hours	#	Hours	#	Hours	#	Hours	#	Hours
Phoenix MSA	0	0	6	336	1	2	2	3	9	341
Tucson MSA	0	0	0	0	2	3	1	1	3	4
Arizona Totals	0	0	6	336	3	5	3	4	12	345
<i>Source: Bank Data</i>										

PHOENIX MSA ASSESSMENT AREA - Full-Scope Review

DESCRIPTION OF INSTITUTION’S OPERATIONS IN THE PHOENIX MSA ASSESSMENT AREA

The Phoenix-Mesa-Chandler, AZ MSA includes two counties; however, the bank delineated only Maricopa County as the assessment area. There have been no changes to the assessment area since the last evaluation. The bank operates two or 66.7 percent of its Arizona branch offices in the Phoenix MSA assessment area. The assessment area represents 86.8 percent of the state-wide loans by dollar volume, 87.5 percent of state-wide lending by number of loans, and 92.8 percent of state-wide deposits.

Economic and Demographic Data

The assessment area consists of 916 census tracts, including 105 low-income tracts, 206 moderate-income tracts, 286 middle-income tracts, and 306 upper-income tracts. Thirteen tracts have no income designation. The following table presents demographic information from the 2015 ACS Census and 2020 D&B data.

Demographic Information for the Phoenix MSA Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	916	11.5	22.5	31.2	33.4	1.4
Population by Geography	4,018,143	11.1	22.9	31.3	34.4	0.3
Housing Units by Geography	1,668,555	9.8	23.4	33.3	33.4	0.1
Owner-Occupied Units by Geography	875,327	4.6	18.8	34.7	41.9	0.0
Occupied Rental Units by Geography	567,191	17.1	29.4	31.2	21.9	0.3
Vacant Units by Geography	226,037	11.8	25.6	33.2	29.3	0.2
Businesses by Geography	630,020	7.2	15.0	29.9	47.3	0.6
Farms by Geography	10,146	7.0	18.5	29.1	45.1	0.3
Family Distribution by Income Level	945,115	21.8	16.9	19.2	42.2	0.0
Household Distribution by Income Level	1,442,518	23.3	16.3	17.7	42.7	0.0
Median Family Income MSA - Phoenix-Mesa-Chandler, AZ MSA	\$63,686	Median Housing Value				\$203,811
		Median Gross Rent				\$993
		Families Below Poverty Level				12.6%
<i>Source: 2015 ACS and 2020 D&B Data</i> <i>Due to rounding, totals may not equal 100.0 percent.</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

The Geographic Distribution criterion compares home mortgage loans to the distribution of owner-occupied housing units and compares small business farm loans to the percentage of businesses

located in low-, moderate-, middle-, and upper-income tracts. The 2015 ACS data shows a majority of owner-occupied housing units and businesses are within the middle- and upper-income tracts, indicating most of the lending opportunities will be in these geographies. The moderate-income tracts contain a fair level of owner-occupied housing units and businesses, while fewer opportunities are indicated in the low-income tracts.

The FFIEC updated Phoenix-Mesa-Chandler, AZ MSA MFIs were used to analyze home mortgage loans under the Borrower Profile criterion. The following table presents each income category.

Phoenix MSA – Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
2019 (\$72,900)	<\$36,450	\$36,450 to <\$58,320	\$58,320 to <\$87,480	≥\$87,480
2020 (\$77,800)	<\$38,900	\$38,900 to <\$62,240	\$62,240 to <\$93,360	≥\$93,360
2021 (\$79,000)	<\$39,500	\$39,500 to <\$63,200	\$63,200 to <\$94,800	≥\$94,800
<i>Source: FFIEC</i>				

The analysis of home mortgage lending by borrower income uses families by income level as a comparison to bank performance. The median housing value is over \$203,000, and prices are continuing to rise due to the current economic conditions, which can potentially make housing increasingly unaffordable for low-income individuals. Therefore, lending opportunities to low-income families may be limited.

The analysis of small business loans under the Borrower Profile criterion compares the distribution of small business lending by gross annual revenue. The D&B 2020 distribution of businesses based on gross annual revenues is listed below.

- 93.1 percent reported \$1 million or less;
- 2.3 percent reported more than \$1 million; and
- 4.6 percent did not report revenues.

In 2020, the top industries were Education and Health Services; Professional and Business Services; and, Government.

Additionally, approximately 94.6 percent of businesses operate with nine or fewer employees. The top employers are Banner Health System; Walmart Inc.; Fry’s Food Stores; Wells Fargo Bank, NA; and Arizona State University.

The 2020 unemployment rate increased sharply due to the COVID-19 pandemic. The unemployment rate dropped sharply in 2021, with the assessment area’s rate being consistent with the pre-pandemic levels. Unemployment rates in the assessment area were below both the state and national averages over the evaluation period.

Unemployment Rates			
Area	2019	2020	2021
	%	%	%
Maricopa County	4.2	7.2	4.5
Arizona	4.9	7.7	5.0
National Average	3.7	8.1	5.2
<i>Source: Bureau of Labor Statistics</i>			

Competition

The assessment area is highly competitive. According to the FDIC Deposit Market Share data as of June 30, 2021, 48 FDIC-insured institutions operate 58 branches within the assessment area. Of these institutions, First-Citizens Bank ranked 29th with a market share of 0.2 percent. Competitor institutions in the assessment areas include JPMorgan Bank, NA; Wells Fargo Bank, NA; and Bank of America, NA. Together, the three competitor institutions account for 64.6 percent of the market share.

There is a high level of competition for home mortgage loans among banks, credit unions, and non-depository mortgage lenders. Aggregate data for 2020 shows 1,052 lenders reported 559,938 residential mortgage loans originated or purchased. First-Citizens Bank ranked 274th with a market share of less than 0.1 percent. The five dominant home mortgage lenders accounted for 16.7 percent of total market share by number.

In addition, there is a high level of competition for business loans within the assessment area. Aggregate data for 2020 shows 319 lenders reported 120,536 small business loans originated or purchased in the assessment area. Overall, First-Citizens Bank ranked 24th with 0.5 percent market share by number of loans and 17th with a 1.6 percent market share by dollar volume. The five dominant small business lenders accounted for 41.3 percent of the total market share by number.

Community Contact

As part of the CRA evaluation process, examiners contact third parties active in the assessment area to assist in identifying the credit and community development needs. This information helps determine whether local financial institutions are responsive to these needs. It also shows what credit and community development opportunities are available. Examiners referenced one recent community contact within the Phoenix MSA assessment area.

The community contact was a local economic development agency attracts new businesses, supports existing businesses, and develops the local workforce. The contact indicated that the local economy has remained stagnant as a result of the COVID-19 pandemic, which has significantly impacted the hospitality and tourism industries. On the contrary, several industries have remained resilient during the pandemic, including technology, finance and insurance, healthcare, bio-life sciences, and real-estate. In regards to real-estate, the contact stated there is a limited supply of housing, and the market is extremely fast-paced, which has increased the median sale prices. In addition, the contact stated that the pandemic has negatively impacted small businesses resulting in higher unemployment rates.

The contact stated affordable housing is the most significant need for the community. The contact also stated that many jobs in the area, especially with the hospitality and tourism industries, benefit low- and moderate-income individuals; however, these individuals have difficulty finding affordable housing. In addition, the contact further explained the affordable housing issue is a result of the inability to find affordable land for development.

Credit and Community Development Needs and Opportunities

Considering information from the community contact and demographic and economic data, examiners determined that affordable housing and small business loans are the primary needs for the assessment area. The need for affordable housing is supported by the information obtained from the community contact as well as assessment area demographics, which makes it difficult for low- or moderate-income individuals to find affordable housing. In regards to the need for small business loans, small businesses represent a significant portion of the area, with 93.1 percent of businesses having gross annual revenues of \$1 million or less, and 94.6 percent having nine or fewer employees.

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE PHOENIX MSA ASSESSMENT AREA

LENDING TEST

Lending levels in the Phoenix MSA assessment area reflect adequate responsiveness to assessment area credit needs. The geographic distribution reflects adequate penetration throughout the assessment area, and the borrower profile reflects adequate distribution of loans among businesses of different sizes and borrowers of different income levels. The institution uses innovative and/or flexible lending practices and originated a relatively high level of community development loans.

Lending Activity

Lending levels reflect adequate responsiveness to the assessment area's credit needs. The tables presented below detail the number and dollar volume of 2020 small business and home mortgage loans in this assessment area.

Geographic Distribution

The geographic distribution of loans is adequate based on the small business lending performance as the home mortgage lending is considered poor.

Small Business Loans

The geographic distribution of small business loans reflects adequate penetration throughout the assessment area. Lending in low-income tracts was below demographic and aggregate lending data and aggregate lending is low as well. Lending in moderate-income tracts was also below demographics and aggregate lending data. However, in 2019, lending in moderate-income tracts was consistent with demographic and aggregate lending data.

Geographic Distribution of Small Business Loans Phoenix MSA Assessment Area						
Tract Income Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
Low	7.2	6.8	32	4.7	7,939	6.8
Moderate	15.0	16.6	88	12.9	15,995	13.7
Middle	29.9	26.6	189	27.6	34,306	29.4
Upper	47.3	49.3	372	54.4	58,373	50.0
Not Available	0.6	0.7	3	0.4	106	0.1
Totals	100.0	100.0	684	100.0	116,719	100.0

Source: 2015 ACS; 2020 CRA Data; and, 2020 CRA Aggregate Data.

Home Mortgage Loans

The geographic distribution of home mortgage loans is poor. The bank did not originate any home mortgage loans in low-income tracts; however, the low percent of owner-occupied housing units and aggregate lending data indicates limited opportunities may exist. In addition, the bank did not originate any home mortgage loans in moderate-income tracts.

Geographic Distribution of Home Mortgage Loans Phoenix MSA Assessment Area						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low	4.6	2.9	0	0.0	0	0.0
Moderate	18.8	13.0	0	0.0	0	0.0
Middle	34.7	34.1	3	17.6	694	10.0
Upper	41.9	49.4	14	82.4	6,278	90.0
Not Available	0.0	0.7	0	0.0	0	0.0
Totals	100.0	100.0	17	100.0	6,972	100.0

*Source: 2015 ACS; 2020 HMDA Data; and, 2020 HMDA Aggregate Data.
Due to rounding, totals may not equal 100.0 percent.*

Borrower Profile

The distribution of small business loans to businesses of different sizes and home mortgage loans to borrowers of different incomes is adequate based on the small business lending performance as the home mortgage lending is considered poor.

Small Business Loans

Lending to businesses with gross annual revenues of \$1 million or less is adequate. In 2020, lending performance was significantly lower than both demographic and aggregate data. However, as reflected in the table below, a significant percentage of loans did not have revenue reported, with the level being significantly higher than aggregate data reporters. The level of loans without revenue impacts the overall analysis of loans to small businesses. As a result, an analysis of loans

without revenue available by size of the loan was conducted. The analysis determined that 147 or 56.5 percent of loans without revenue had origination amounts of \$100,000 or less, indicating assistance to small businesses.

Distribution of Small Business Loans by Gross Annual Revenue Category Phoenix MSA Assessment Area						
Gross Revenue Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
<=\$1,000,000	93.1	40.1	191	27.9	28,902	24.8
>\$1,000,000	2.3	--	233	34.1	45,310	38.8
Revenue Not Available	4.7	--	260	38.0	42,507	36.4
Totals	100.0	100.0	684	100.0	116,719	100.0
<i>Source: 2020 D&B Data; 2020 CRA Data; and, 2020 CRA Aggregate Data. "--" data not available. Due to rounding, totals may not equal 100.0 percent.</i>						

Home Mortgage Loans

The distribution of home mortgage loans reflects poor penetration among borrowers of different incomes. The bank did not originate any home mortgage loans to low-income borrowers. However, the low percent of aggregate lending data indicates limited opportunities may exist. In addition, lending to moderate-income borrowers was significantly below both demographic and aggregate lending data.

Distribution of Home Mortgage Loans by Borrower Income Level Phoenix MSA Assessment Area						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low	21.8	4.5	0	0.0	0	0.0
Moderate	16.9	16.1	1	5.9	196	2.8
Middle	19.2	20.3	1	5.9	243	3.5
Upper	42.2	40.7	12	70.6	5,711	81.9
Not Available	0.0	18.4	3	17.6	823	11.8
Totals	100.0	100.0	17	100.0	6,972	100.0
<i>Source: 2015 ACS; 2020 HMDA Data; and, 2020 HMDA Aggregate Data. Due to rounding, totals may not equal 100.0 percent.</i>						

Community Development Loans

First-Citizens Bank originated a relatively high level of community development loans in the Phoenix MSA assessment area. The bank originated five community development loans totaling \$10.1 million. This amount represents 83.3 percent by number and 90.3 percent by dollar volume of community development loans originated within Arizona. Regarding the community development purpose, one loan supports community service, and four loans support revitalization or stabilization. Examples of community development loans follow.

- \$3.6 million loan to construct a building that will revitalize and stabilize a moderate-income census tract and will help attract new, or retain, existing businesses and residents.
- \$3.2 million loan to purchase and improve an office building in a moderate- income census tract and will help attract new, or retain, existing businesses and residents.

INVESTMENT TEST

First-Citizens Bank has a significant level of qualified investments in the assessment area. The bank exhibits good responsiveness to credit and community development needs and occasionally uses innovative and/or complex investments to support community development initiatives.

Investment and Grant Activity

The bank has a significant level of qualified investments in the Phoenix MSA assessment area. Qualified investments total \$6.3 million or 100.0 percent of Arizona qualified investments. Investments include \$805,124 in nationwide GNMA MBS investment supporting affordable housing projects in the assessment area. Prior period investments include nine SBA pools totaling approximately \$5.4 million and supporting economic development in the assessment area. Further, the bank made seven donation or grant contributions totaling \$59,149. Of these contributions, all \$59,149 benefited community services. Provided below are examples of donations that benefited the assessment area.

- \$25,000 to an organization that provides tax credit scholarships to low- and moderate-income individuals.
- \$2,499 to an organization that provides community services to low- and moderate-income individuals.

SERVICE TEST

First-Citizens Bank's delivery systems are accessible to limited portions of the Phoenix MSA assessment area. The institution did not open or close any branches in the assessment area during the evaluation period; thus, no adverse impact is noted to the accessibility of its delivery systems. Services and business hours do not vary in a way that inconveniences certain portions of the assessment area, particularly low- and moderate-income geographies, or individuals. The bank is a leader in providing community development services.

Accessibility of Delivery Systems

Delivery systems are accessible to limited portions of the assessment area. The bank's accessibility to delivery systems is less favorable than the overall institution and consistent with the Arizona rated area.

The bank operates two branches in the assessment area. The bank operates no branches in low-or moderate income tracts where the populations are 11.1 percent and 22.0 percent of the assessment area, respectively. The bank does not operate any ATMs in the assessment area.

Community Development Services

First-Citizens Bank is a leader in providing community development services in the assessment area. Bank employees and Board members provided 9 instances for 341 hours of community development service. These services equate to 1.1 instance and 56.8 hours of community development services per branch per year. This performance accounts for 1.3 percent of bank-wide community development services and 98.8 percent of state-wide community development services by number of hours. The level of community development services by number of hours is above the percentage of branches within the assessment area at 0.4 percent bank-wide and 75.0 percent state-wide. The bank engaged in 15 instances of community development service at the previous evaluation. The following are examples of community development services provided.

- An employee is a member of the Board for a dental foundation that provides charitable dentistry programs to children and individuals with a financial need.
- An employee presented to a local business development corporation on SBA PPP loan guidance for small businesses.
- An employee is on the Board of a foundation that assists families who are in financial hardship. The foundation helps to alleviate the financial burden related to medical expenses.

OTHER ASSESSMENT AREAS – Limited-Scope Review

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE LIMITED-SCOPE ASSESSMENT AREA

The following table summarizes the conclusions for the Arizona assessment area reviewed using limited-scope examination procedures. Conclusions regarding the institution's CRA performance within the limited-scope areas were derived from reviewing available facts and data, including performance data, aggregate lending data comparisons, and demographic information. The conclusions did not alter the bank's overall performance rating.

Assessment Area	Lending Test	Investment Test	Service Test
Tucson MSA	Below	Below	Below

The branch distribution and alternative delivery systems for the limited-scope assessment area are less favorable than the overall institution. Additionally, the service hours, loan and deposit products, services, and branch hours do not inconvenience low- and moderate-income individuals or areas.

A summary of First-Citizens Bank's operations and activities for limited-scope areas, as well as geographic distribution and borrower profile data for 2020 are presented below. Demographic data and market share information for the limited-scope assessment areas are detailed in the Appendices.

Tucson MSA Assessment Area

The Tucson, AZ MSA is comprised of Pima County, which the bank delineated as the assessment area. First-Citizens Bank operates one branch in this assessment area, which accounts for 33.3 percent of state-wide branches. In addition, the assessment area accounts for 13.2 percent of state-wide lending by dollar volume, 12.5 percent of lending number of loans, and 7.2 percent of state-wide deposits. The following activities occurred in the assessment area during the review period.

Activity	#	\$(000s)
Home Mortgage Loans	9	2,646
Small Business Loans	203	41,711
Community Development Loans	1	1,090
Investments (New)	--	--
Investments (Prior Period)	--	--
Donations	--	--
Community Development Services	3	4 hours
<i>Small business and home mortgage lending volumes are based on the combined 2019, 2020, and 2021 lending data, while the community development loans, qualified investments, and community development services are from previous evaluation through December 31, 2021. Qualified investments also include those from prior periods that remain outstanding.</i>		

Geographic Distribution and Borrower Profile

Geographic Distribution of Small Business Loans Tucson MSA Assessment Area						
Tract Income Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
Low	6.2	7.7	1	1.1	76	0.4
Moderate	22.8	26.3	25	26.3	3,710	18.5
Middle	27.8	27.4	29	30.5	8,648	43.1
Upper	42.2	37.6	40	42.1	7,644	38.1
Not Available	1.1	1.0	0	0.0	0	0.0
Totals	100.0	100.0	95	100.0	20,078	100.0
<i>Source: 2015 ACS; 2020 CRA Data; and, 2020 CRA Aggregate Data. Due to rounding, totals may not equal 100.0 percent.</i>						

Distribution of Small Business Loans by Gross Annual Revenue Category Tucson MSA Assessment Area						
Gross Revenue Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
<=\$1,000,000	90.9	42.9	43	45.3	8,268	41.2
>\$1,000,000	2.6	--	41	43.2	9,546	47.5
Revenue Not Available	6.5	--	11	11.6	2,264	11.3
Totals	100.0	100.0	95	100.0	20,078	100.0

Source: 2020 D&B Data; 2020 CRA Data; and, 2020 CRA Aggregate Data.

"--" data not available.

Due to rounding, totals may not equal 100.0 percent.

TENNESSEE

CRA RATING FOR TENNESSEE: SATISFACTORY

The Lending Test is rated: Low Satisfactory

The Investment Test is rated: High Satisfactory

The Service Test is rated: Low Satisfactory

DESCRIPTION OF INSTITUTION'S OPERATIONS IN TENNESSEE

The evaluation of the Tennessee performance considered the operations of First-Citizens Bank in four assessment areas, which are detailed in the Description of Assessment Areas. There have been no changes to the assessment areas since the last evaluation. The bank operates six or 1.2 percent of its branch offices in Tennessee. Tennessee accounts for 0.9 percent of bank-wide loans by dollar volume, 0.7 percent of bank-wide loans by number of loans, and 0.5 percent of the bank-wide deposits. Overall, First-Citizens Bank ranks 103rd in the state in deposit market share at 0.1 percent. Competitor institutions in the assessment areas include First Horizon Bank, Regions Bank, and Pinnacle Bank. Together, the three competitor institutions account for 36.0 percent of the market share.

SCOPE OF EVALUATION – TENNESSEE

Examiners conducted a full-scope review of performance in the Knoxville MSA and the Nashville MSA assessment areas. A significant portion of the loans (72.5 percent), deposits (73.6), and branches (66.6 percent) in Tennessee are concentrated in these assessment areas. The lending levels, deposits, and branching as a percentage of the overall state-wide operations is comparable within the two full-scope assessment areas; therefore, each received equal weighting in the overall analysis, conclusions, and ratings for Tennessee. Limited-scope areas included the Chattanooga MSA assessment area, which received less weight and Johnson City MSA assessment area, which received limited weight. Small business loans constitute the primary loan type in all assessment areas, comprising 84.0 percent of state-wide loans by number of loans and 70.1 percent of state-wide loans by dollar volume. Similar levels are noted in each assessment area. Therefore, the conclusions were primarily based upon small business lending performance. Home mortgage loans were reviewed in the full-scope assessment areas for all three years and the Chattanooga MSA assessment area for 2020 and 2021 as limited lending occurred in the assessment area in 2019. Home mortgage loans were not reviewed in the Johnson City MSA assessment area given the low level of loans. Small farm loans were not included in the analysis as only one small farm loan was originated over the three year period.

CONCLUSIONS ON PERFORMANCE CRITERIA IN TENNESSEE

LENDING TEST

The Lending Test rating for Tennessee is Low Satisfactory. Lending levels reflect adequate responsiveness to the Tennessee assessment areas' credit needs. The geographic distribution reflects good penetration throughout the assessment areas, and the borrower profile reflects

adequate distribution of loans to borrowers of different incomes and businesses of different sizes. The institution uses innovative and/or flexible lending practices and originated a low level of community development loans. Performance in the two full-scope assessment areas varied.

Lending Activity

Lending levels reflect adequate responsiveness to the Tennessee MSA assessment areas' credit needs. The tables presented in each assessment area detail the number and dollar volume of home mortgage and small business loans originated in 2020.

Geographic Distribution

The overall geographic distribution of home mortgage and small business loans is good.

The geographic distribution is considered good based primarily on the weight assigned to the small business lending performance. Home mortgage lending was considered adequate. Performance in the Knoxville MSA assessment area was consistent with the overall rating, while the Nashville MSA assessment area performance was considered adequate.

Borrower Profile

The overall distribution of home mortgage loans to borrowers of different incomes and small business loans to businesses of different sizes is adequate.

The adequate performance for the borrower profile is based on the adequate small business lending as home mortgage lending was considered poor. Performance in the two full-scope assessment areas was consistent.

Community Development Loans

First-Citizens Bank originated few, if, any community development loans in Tennessee. During this evaluation period, the bank originated 10 community development loans totaling \$330,000. This represents 1.8 percent by number and 0.0 percent by dollar volume of total bank-wide community development loans. The performance in the two full-scope assessment areas is consistent. The analysis for the full-scope Tennessee assessment areas includes a detailed discussion of community development loans.

INVESTMENT TEST

The Investment Test is rated High Satisfactory. First-Citizens Bank has a significant level of qualified investments in Tennessee. The bank exhibits good responsiveness to credit and community development needs and occasionally uses innovative and/or complex investments to support community development initiatives. Performance in the full-scope assessment areas varied with the overall rating supported by the Nashville MSA assessment area performance.

Investment and Grant Activity

The bank has a significant level of qualified investments in Tennessee. Qualified investments total \$29.5 million or 4.6 percent of bank-wide qualified investments. Investments include two nationwide GNMA MBS supporting affordable housing projects, of which \$19.8 million benefited an assessment area in Tennessee. Additionally, the bank invested in a regionally-based investment fund supporting affordable housing in an assessment area in Tennessee totaling \$1.0 million. Prior period investments include three nationwide GNMA MBS supporting affordable housing projects, of which \$6.5 million benefited assessment areas in Tennessee. Furthermore, the bank invested in a regionally-based investment fund supporting affordable housing projects in an assessment area in Tennessee, which totaled \$2.2 million. The bank also made 18 donations for \$14,900. Please refer to the full-scope assessment areas for examples.

SERVICE TEST

The Service Test rating is Low Satisfactory in Tennessee. First-Citizens Bank’s delivery systems are reasonably accessible to essentially all portions of the assessment areas. The institution did not open or close any branches in Tennessee during the evaluation period; thus, no adverse impact is noted to the accessibility of its delivery systems. Services and business hours do not vary in a way that inconveniences certain portions of the assessment areas, particularly low- and moderate-income geographies, or individuals. The bank provided an adequate level of community development services. Performance in the full-scope assessment areas varied.

Accessibility of Delivery Systems

Delivery systems are reasonably accessible to essentially all portions of the assessment area. The conclusions regarding the accessibility of delivery systems for the rated area are less favorable than the institution overall. Branching in the low-income tracts is well above the level of population within the tracts. The bank does not operate any branches within the moderate-income tracts. The bank operates one ATM in Tennessee in an upper-income tract.

Branch Distribution by Geography Income Level Tennessee – Rated Area						
Tract Income Level	Census Tracts		Population		Branches	
	#	%	#	%	#	%
Low	47	11.3	152,336	8.6	1	16.7
Moderate	80	19.3	321,902	18.1	0	0.0
Middle	13	33.5	613,005	34.5	1	16.7
Upper	141	34.0	679,535	38.3	4	66.7
NA	8	1.9	8,970	0.5	0	0.0
Total	415	100.0	1,775,748	100.0	6	100.0
<i>Source: 2015 ACS Data and Bank Data Due to rounding, totals may not add to 100 percent.</i>						

Community Development Services

First-Citizens Bank provided an adequate level of community development services in Tennessee. Bank employees and Board members provided 38 instances and 153 hours of community development service in Tennessee. These services equate to 2.1 instances and 8.5 hours of community service per branch per year. This performance represented 0.6 percent of the bank-wide community development services by number of hours. The level of community development services is less than the percentage of branches within the assessment area at 1.1 percent. Employees are involved in community development organizations that primarily provide economic development and community services for low- and moderate-income individuals and areas. Refer to the full-scope assessment areas for examples.

Community Development Services										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	Hours	#	Hours	#	Hours	#	Hours	#	Hours
Chattanooga MSA	0	0	0	0	3	6	0	0	3	6
Johnson City MSA	0	0	0	0	2	6	2	2	4	8
Knoxville MSA	0	0	3	20	5	7	0	0	8	27
Nashville MSA	0	0	1	2	20	106	2	4	23	112
Tennessee	0	0	4	22	30	125	4	6	38	153
<i>Source: Bank Data</i>										

KNOXVILLE MSA ASSESSMENT AREA – Full-Scope Review

DESCRIPTION OF INSTITUTION’S OPERATIONS IN THE KNOXVILLE MSA ASSESSMENT AREA

The Knoxville, TN MSA includes eight counties; however, the bank delineated only Knox County as the assessment area. There have been no changes to the assessment area since the last evaluation. The bank operates two or 33.3 percent of its Tennessee branch offices in the Knoxville MSA assessment area. The assessment area represents 36.7 percent of the state-wide loans by dollar volume, 39.1 percent of state-wide lending by number of loans, and 41.8 percent of state-wide deposits.

Economic and Demographic Data

The assessment area consists of 112 census tracts, including 9 low-income tracts, 20 moderate-income tracts, 42 middle-income tracts, and 39 upper-income tracts. Two tracts have no income designation. The following table presents demographic information from the 2015 ACS Census and 2020 D&B data.

Demographic Information for the Knoxville MSA Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	112	8.0	17.9	37.5	34.8	1.8
Population by Geography	444,348	6.5	16.6	39.1	36.5	1.3
Housing Units by Geography	198,119	7.1	18.8	39.8	34.2	0.1
Owner-Occupied Units by Geography	115,584	3.2	12.1	42.6	42.0	0.0
Occupied Rental Units by Geography	65,145	13.6	29.2	35.0	22.1	0.1
Vacant Units by Geography	17,390	8.9	24.4	38.9	27.4	0.4
Businesses by Geography	36,003	4.6	14.1	32.2	48.6	0.5
Farms by Geography	807	2.7	12.6	37.7	46.3	0.6
Family Distribution by Income Level	110,486	20.1	15.4	18.9	45.7	0.0
Household Distribution by Income Level	180,729	23.0	15.7	15.9	45.3	0.0
Median Family Income - Knoxville, TN MSA	\$59,829	Median Housing Value				\$167,655
		Median Gross Rent				\$792
		Families Below Poverty Level				10.9%
<i>Source: 2015 ACS and 2020 D&B Data</i> <i>Due to rounding, totals may not equal 100.0 percent</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

The Geographic Distribution criterion compares home mortgage loans to the distribution of owner-occupied housing units and compares small business loans to the percentage of businesses in low-,

moderate-, middle-, and upper-income tracts. The 2015 ACS data shows a majority of owner-occupied housing units and businesses are within the middle- and upper-income tracts, indicating most of the lending opportunities will be in these geographies. The moderate-income tracts contain a fair level of owner-occupied housing units and businesses, while significantly fewer opportunities are indicated in the low-income tracts.

The FFIEC updated Knoxville, TN MSA MFIs were used to analyze home mortgage loans under the Borrower Profile criterion. The following table presents each income category.

Knoxville MSA – Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
2019 (\$65,000)	<\$32,500	\$32,500 to <\$52,000	\$52,000 to <\$78,000	≥\$78,000
2020 (\$67,200)	<\$33,600	\$33,600 to <\$53,760	\$53,760 to <\$80,640	≥\$80,640
2021 (\$69,100)	<\$34,550	\$34,550 to <\$55,280	\$55,280 to <\$82,920	≥\$82,920
<i>Source: FFIEC</i>				

The analysis of home mortgage lending by borrower income uses families by income level as a comparison to bank performance. The median housing value is over \$167,000, and prices are continuing to rise due to the current economic conditions, which can potentially make housing increasingly unaffordable for low-income individuals. Therefore, lending opportunities to low-income families may be limited.

The analysis of small business loans under the Borrower Profile criterion compares the distribution of small business lending by gross annual revenue. The D&B 2020 distribution of businesses based on gross annual revenues is listed below.

- 83.0 percent reported \$1 million or less;
- 5.6 percent reported more than \$1 million; and
- 11.4 percent did not report revenues.

In 2020, the top industries were Education and Health Services; Professional and Business Services; and, Government. Additionally, approximately 87.4 percent of businesses operate with nine or fewer employees. The top employers were Covenant Health; University of Tennessee; Walmart, Inc., University Health System; and Oak Ridge National Laboratory.

The 2020 unemployment rate increased due to the COVID-19 pandemic. The unemployment rate for 2021 dropped sharply, although the unemployment rate for Knox County is still slightly above the pre-pandemic levels. Unemployment rates in the assessment area were below state unemployment rates and national averages.

Unemployment Rates			
Area	2019	2020	2021
	%	%	%
Knox County	2.9	5.9	3.3
Tennessee	3.4	7.5	4.3
National Average	3.7	8.1	5.2
<i>Source: Bureau of Labor Statistics</i>			

Competition

The assessment area is highly competitive. According to the FDIC Deposit Market Share data as of June 30, 2021, 30 FDIC-insured institutions operate 139 branches within the assessment area. Of these institutions, First-Citizens Bank ranked 15th with a market share of 0.5 percent. Competitor institutions in the assessment areas include Truist Bank, First Horizon Bank, and Pinnacle Bank. Together, the three competitor institutions account for 52.8 percent of the market share.

There is a high level of competition for home mortgage loans among banks, credit unions, and non-depository mortgage lenders. Aggregate data for 2020 shows 516 lenders reported 28,433 residential mortgage loans originated or purchased. First-Citizens Bank ranked 106th with a market share of 0.1 percent. The five dominant home mortgage lenders accounted for 29.3 percent of total market share by number.

In addition, there is a high level of competition for business loans within the assessment area. Aggregate data for 2020 shows 141 lenders reported 11,400 small business loans originated or purchased in the assessment area. Overall, First-Citizens Bank ranked 18th with 1.1 percent market share by number of loans and 10th with 2.3 percent market share by dollar volume. The five dominant small business lenders accounted for 59.4 percent of the total market share by number.

Credit and Community Development Needs and Opportunities

A review of demographic and economic data indicates the need for home mortgage and small business loans. In particular, there is a need for affordable housing for low- and moderate-income families as housing prices have continued to rise. The percentage of families in the low- and moderate-income categories and 10.9 percent of families below the poverty level support this conclusion. Examiners also determined the need for small business loans, which is based on the high number of businesses with four or fewer employees and a majority of businesses reporting gross annual revenues of \$1 million or less.

CONCLUSIONS ON PERFORMANCE CRITERIA IN KNOXVILLE MSA ASSESSMENT AREA

LENDING TEST

Lending levels in the Knoxville MSA assessment area reflect adequate responsiveness to assessment area credit needs. The geographic distribution reflects good penetration throughout the assessment area, and the borrower profile reflects adequate distribution of loans among businesses of different sizes and borrowers of different income levels. The institution uses innovative and/or flexible lending practices and originated few, if any, community development loans.

Lending Activity

Lending levels reflect adequate responsiveness to the assessment area's credit needs. The tables presented below detail the number and dollar volume of 2020 small business and home mortgage loans in this assessment area.

Geographic Distribution

The geographic distribution of loans is good.

Small Business Loans

The geographic distribution of small business loans reflects good penetration throughout the assessment area. The bank did not originate any small business loans within low-income tracts; however, the level of businesses as well as aggregate lending is low. In 2021, lending in low-income tracts increased to 1.5 percent compared to demographic data of 4.7 percent. Lending in moderate-income tracts exceeded demographic data and was well above aggregate lending data.

Geographic Distribution of Small Business Loans Knoxville MSA Assessment Area						
Tract Income Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
Low	4.6	3.3	0	0.0	0	0.0
Moderate	14.1	11.9	29	19.6	4,544	18.1
Middle	32.2	31.5	27	18.2	6,573	26.2
Upper	48.6	53.2	92	62.2	13,954	55.7
Not Available	0.5	0.1	0	0.0	0	0.0
Totals	100.0	100.0	148	100.0	25,071	100.0
<i>Source: 2015 ACS; 2020 CRA Data; and, 2020 CRA Aggregate Data. Due to rounding, totals may not equal 100.0 percent.</i>						

Home Mortgage Loans

The geographic distribution of home mortgage loans is adequate. The bank did not originate any home mortgage loans within low-income tracts. However, the low percent of aggregate lending

data and the low level of owner-occupied housing in the tracts indicate limited opportunities may exist. Lending in moderate-income tracts was significantly below demographic data and well below aggregate lending data. However, performance in 2019 was consistent with aggregate lending data but slightly below demographic data. Performance in 2021 was above demographic data.

Geographic Distribution of Home Mortgage Loans Knoxville MSA Assessment Area						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low	3.2	2.0	0	0.0	0	0.0
Moderate	12.1	9.1	1	4.0	142	1.6
Middle	42.6	36.7	4	16.0	870	9.6
Upper	42.0	52.2	20	80.0	8,078	88.9
Totals	100.0	100.0	25	100.0	9,090	100.0
<i>Source: 2015 ACS; 2020 HMDA Data; and, 2020 HMDA Aggregate Data. Due to rounding, totals may not equal 100.0 percent.</i>						

Borrower Profile

The distribution of small business loans to businesses of different sizes and home mortgage loans to borrowers of different incomes is adequate.

Small Business Loans

The distribution of small business loans reflects adequate penetration to businesses with gross annual revenues of \$1 million or less. Lending to small businesses was significantly below demographic data and slightly below aggregate data.

Distribution of Small Business Loans by Gross Annual Revenue Category Knoxville MSA Assessment Area						
Gross Revenue Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
<=\$1,000,000	83.0	39.2	49	33.1	6,206	24.8
>\$1,000,000	5.6	--	88	59.5	18,163	72.4
Revenue Not Available	11.4	--	11	7.4	702	2.8
Totals	100.0	100.0	148	100.0	25,071	100.0
<i>Source: 2020 D&B Data; 2020 CRA Data; and, 2020 CRA Aggregate Data. "--" data not available.</i>						

Home Mortgage Loans

The distribution of home mortgage loans reflects poor penetration among borrowers of different incomes. The bank did not originate any home mortgage loans to low- or moderate-income borrowers in 2020. However, the bank originated loans to moderate-income borrowers in 2019 and 2021. In 2019, lending to moderate-income borrowers was 10.0 percent compared to aggregate

lending of 15.9 percent and demographics of 15.4 percent. For 2021, lending to moderate-income borrowers at 7.1 percent was half of the demographic data.

Distribution of Home Mortgage Loans by Borrower Income Level Knoxville MSA Assessment Area						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low	20.1	4.7	0	0.0	0	0.0
Moderate	15.4	14.7	0	0.0	0	0.0
Middle	18.9	18.7	0	0.0	0	0.0
Upper	45.7	44.9	17	68.0	8,024	88.3
Not Available	0.0	17.0	8	32.0	1,066	11.7
Totals	100.0	100.0	25	100.0	9,090	100.0
<i>Source: 2015 ACS; 2020 CRA Data; and, 2020 CRA Aggregate Data. Due to rounding, totals may not equal 100.0 percent.</i>						

Community Development Loans

First-Citizens Bank originated few, if any, community development loans in the Knoxville MSA assessment area. The bank originated three community development loans totaling \$150,000. This amount represents 30.0 percent by number and 45.5 percent by dollar volume of community development loans originated within Tennessee. The community development lending was three \$50,000 loans to a non-profit that provides community services targeted low- and moderate-individuals.

INVESTMENT TEST

First-Citizens Bank has an adequate level of qualified investments in the assessment area. The bank exhibits good responsiveness to credit and community development needs and occasionally uses innovative and/or complex investments to support community development initiatives.

Investment and Grant Activity

The bank has an adequate level of qualified investments in the Knoxville MSA assessment area. Qualified investments total \$3.2 million or 10.9 percent of Tennessee qualified investments. Investments include a regionally-based investment fund supporting affordable housing in the assessment area totaling \$1.0 million. Prior period investments include a regionally-based investment fund supporting affordable housing projects, of which \$2.2 million benefited the assessment area. Further, the bank made six donation or grant contributions totaling \$3,000. All \$3,000 benefited community services. Provided below is an example of donations that benefited the assessment area.

- \$2,000 to two organizations that provide community services to low- and moderate-income individuals.

SERVICE TEST

First-Citizens Bank’s delivery systems are accessible to limited portions of the Knoxville MSA assessment area. The institution did not open or close any branches in the assessment area during the evaluation period; thus, no adverse impact is noted to the accessibility of its delivery systems. Services and business hours do not vary in a way that inconveniences certain portions of the assessment area, particularly low- and moderate-income geographies, or individuals. The bank provided a limited level of community development services.

Accessibility of Delivery Systems

Delivery systems are accessible to limited portions of the assessment area. The conclusions regarding the accessibility of delivery systems for the assessment area are less favorable than the institution overall and the Tennessee rated area. The bank operates two branches in the assessment area with neither branch located in a low- or moderate-income tract. There are no ATMs in the assessment area.

Branch Distribution by Geography Income Level Knoxville MSA Assessment Area						
Tract Income Level	Census Tracts		Population		Branches	
	#	%	#	%	#	%
Low	9	8.0	28,915	6.5	0	0.0
Moderate	20	17.9	73,604	16.6	0	0.0
Middle	42	37.5	173,905	39.1	0	0.0
Upper	39	34.8	162,249	36.5	2	100.0
NA	2	1.8	5,675	1.3	0	0.0
Total	112	100.0	444,348	100.0	2	100.0
<i>Source: 2015 ACS Data and Bank Data</i>						

Community Development Services

First-Citizens Bank provided a limited level of community development services in the assessment area. Bank employees and Board members provided eight instances for 27 hours of community development service. These services equate to 1.3 instance and 4.5 hours of community development service per branch of community development service per year. This performance accounts for 0.1 percent of the bank-wide community development services and 17.6 percent of state-wide community development services by number of hours. The level of community development services is below the percentage of branches within the assessment area at 0.4 percent bank-wide and 33.3 percent state-wide. The bank engaged in three instances of community development service at the previous evaluation. The following are examples of community development services provided.

- An employee taught financial literacy courses to students in low- and moderate- income census tracts on behalf of a non-profit organization, whose mission is to teach young people about business, economics, and free enterprise.
- An employee gave a presentation on fraud and fraud prevention to small business owners on

behalf of the state level small business administration.

- An employee gave a presentation on cash flow management, cash flow strategies, and entrepreneurship to small business owners on behalf of a local non-profit, whose mission is to bring businesses and jobs to areas where poverty is an everyday reality and people have been profoundly affected by long-term unemployment.

NASHVILLE MSA ASSESSMENT AREA – Full-Scope Review

DESCRIPTION OF INSTITUTION’S OPERATIONS IN THE NASHVILLE MSA ASSESSMENT AREA

The Nashville-Davidson-Murfreesboro-Franklin, TN MSA includes 13 counties; however, the bank delineated Davidson and Williamson Counties as the Nashville MSA assessment area. There have been no changes to the assessment area since the last evaluation. The bank operates two or 33.3 percent of its Tennessee branch offices in the Nashville MSA assessment area. The assessment area represents 35.8 percent of the state-wide loans by dollar volume, 35.3 percent of state-wide lending by number of loans, and 31.8 percent of state-wide deposits.

Economic and Demographic Data

The assessment area consists of 198 census tracts, including 28 low-income tracts, 44 moderate-income tracts, 55 middle-income tracts, and 68 upper-income tracts. Three tracts have no income designation. The following table presents demographic information from the 2015 ACS Census and 2020 D&B data.

Demographic Information for the Nashville MSA Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	198	14.1	22.2	27.8	34.3	1.5
Population by Geography	857,962	10.8	21.5	29.1	38.5	0.2
Housing Units by Geography	362,948	11.1	21.8	29.9	37.3	0.0
Owner-Occupied Units by Geography	199,341	5.5	15.1	31.2	48.3	0.0
Occupied Rental Units by Geography	134,348	17.9	30.9	28.4	22.8	0.0
Vacant Units by Geography	29,259	17.7	25.6	27.5	29.1	0.0
Businesses by Geography	101,349	8.8	16.2	20.8	52.9	1.2
Farms by Geography	1,767	5.3	13.6	26.1	54.2	0.7
Family Distribution by Income Level	202,028	21.4	15.4	18.0	45.1	0.0
Household Distribution by Income Level	333,689	23.3	16.3	17.0	43.4	0.0
Median Family Income - Nashville-Davidson--Murfreesboro--Franklin, TN MSA		\$66,441	Median Housing Value			\$231,829
			Median Gross Rent			\$919
			Families Below Poverty Level			11.2%
<i>Source: 2015 ACS and 2020 D&B Data</i> <i>Due to rounding, totals may not equal 100.0 percent</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

The Geographic Distribution criterion compares home mortgage loans to the distribution of owner-occupied housing units and compares small business to the percentage of businesses located in low-, moderate-, middle-, and upper-income census tracts. The 2015 ACS data shows a majority of

owner-occupied housing units and businesses are within the middle- and upper-income census tracts, indicating most of the lending opportunities will be in these geographies. The moderate-income tracts contain a fair level of owner-occupied housing units and businesses, while significantly fewer opportunities are indicated in the low-income tracts.

The FFIEC updated Nashville-Davison-Murfreesboro-Franklin, TN MSA MFIs were used to analyze home mortgage loans under the Borrower Profile criterion. The following table presents each income category.

Nashville MSA – Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
2019 (\$73,100)	<\$36,550	\$36,550 to <\$58,480	\$58,480 to <\$87,720	≥\$87,720
2020 (\$76,500)	<\$38,250	\$38,250 to <\$61,200	\$61,200 to <\$91,800	≥\$91,800
2021 (\$79,200)	<\$39,600	\$39,600 to <\$63,360	\$63,360 to <\$95,040	≥\$95,040
<i>Source: FFIEC</i>				

The analysis of home mortgage lending by borrower income uses families by income level as a comparison to bank performance. The median housing value is over \$231,000, and prices are continuing to rise due to the current economic conditions, which can potentially make housing increasingly unaffordable for low-income individuals. Therefore, lending opportunities to low-income families may be limited.

The analysis of small business loans under the Borrower Profile criterion compares the distribution of small business lending by gross annual revenue. The D&B 2020 distribution of businesses based on gross annual revenues is listed below.

- 86.4 percent reported \$1 million or less;
- 4.7 percent reported more than \$1 million; and
- 8.9 percent did not report revenues.

In 2020, the top industries were Education and Health Services; Professional and Business Services; and, Leisure and Hospitality Services. Additionally, approximately 88.4 percent of businesses operate with nine or fewer employees. The top employers were Vanderbilt University Medical Center; HCA, Inc., Nissan North America, Inc., Saint Thomas Health Services; and Vanderbilt University.

The 2020 unemployment rates increased sharply due to the COVID-19 pandemic. The 2021 unemployment rates dropped sharply in the assessment areas; however, the unemployment rate for Davidson County remains well above the pre-pandemic rate. The unemployment rate for Williamson County is comparable to the pre-pandemic rate. Unemployment rates in the assessment area were generally below state unemployment rates and national averages.

Unemployment Rates			
Area	2019	2020	2021
	%	%	%
Davidson County	2.5	8.2	4.2
Williamson County	2.4	4.8	2.5
Tennessee	3.4	7.5	4.3
National Average	3.7	8.1	5.2
<i>Source: Bureau of Labor Statistics</i>			

Competition

The assessment area is highly competitive. According to the FDIC Deposit Market Share data as of June 30, 2021, 45 FDIC-insured institutions operate 305 branches within the assessment area. Of these institutions, First-Citizens Bank ranked 32nd with a market share of 0.1 percent. Competitor institutions in the assessment areas include Bank of America, NA; Pinnacle Bank; and Regions Bank. Together, the three competitor institutions account for 51.1 percent of the market share.

There is a high level of competition for home mortgage loans among banks, credit unions, and non-depository mortgage lenders. Aggregate data for 2020 shows 782 lenders reported 71,715 residential mortgage loans originated or purchased indicating high competition. First-Citizens Bank ranked 223rd with a market share of less than 0.1 percent. The five dominant home mortgage lenders accounted for 20.7 percent of total market share by number.

In addition, there is a high level of competition for business loans within the assessment area. Aggregate data for 2020 shows 230 lenders reported 33,887 small business loans originated or purchased in the assessment area. Overall, First-Citizens Bank ranked 33rd with 0.3 percent market share by number of loans and 24th with 0.8 percent market share by dollar volume. The five dominant small business lenders accounted for 49.1 percent of the total market share by number.

Community Contact

As part of the CRA evaluation process, examiners contact third parties active in the assessment area to assist in identifying the credit and community development needs. This information helps determine whether local financial institutions are responsive to these needs. It also shows what credit and community development opportunities are available. Examiners referenced one recent community contact within the Nashville MSA assessment area.

The community contact was from a private nonprofit organization specializing in affordable housing who is knowledgeable about the assessment area. The community contact stated that his organization serves primarily low- and moderate-income individuals and families, and the organization's mission is to provide housing solutions to low- and moderate-income individuals and communities. In addition, the community contact stated that financial institutions' involvement in the assessment area is high and that bank representatives actively participate in housing programs, sponsorship events, and educational seminars. Finally, the contact commented that financial institutions' overall participation is well received within the community.

Credit and Community Development Needs and Opportunities

Considering information from the community contact and economic and demographic data, examiners determined the primary needs and opportunities in the assessment area are home mortgage and small business loans. In particular, there is a need for affordable housing for low- and moderate-income families as housing prices have continued to rise. The percentage of families in the low- and moderate-income categories and 11.2 percent of families below the poverty level support this conclusion. Examiners also determined the need for small business loans, which is based on the high number of businesses with four or fewer employees and a majority of businesses reporting gross annual revenues of \$1 million or less.

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE NASHVILLE MSA ASSESSMENT AREA

LENDING TEST

Lending levels in the Nashville MSA assessment area reflect adequate responsiveness to assessment area credit needs. The geographic distribution reflects adequate penetration throughout the assessment area, and the borrower profile reflects adequate distribution of loans among businesses of different sizes and borrowers of different income levels. The institution uses innovative and/or flexible lending practices and originated few, if any, of community development loans.

Lending Activity

Lending levels reflect adequate responsiveness to the assessment area's credit needs. The tables presented below detail the number and dollar volume of 2020 small business and home mortgage loans in this assessment area.

Geographic Distribution

The geographic distribution of loans is adequate.

Small Business Loans

The geographic distribution of small business loans reflects adequate penetration throughout the assessment area. Lending in low-income tracts was just below demographic and aggregate data. Lending in moderate-income tracts was significantly below demographic and aggregate lending data for 2020. In 2019, lending in moderate-income tracts at 15.6 percent was slightly below demographics of 16.8 percent and aggregate data of 17.1 percent. For 2021, lending in moderate-income tracts stood at 15.2 percent compared to demographics of 16.4 percent.

Geographic Distribution of Small Business Loans Nashville MSA Assessment Area						
Tract Income Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
Low	8.8	9.5	10	7.6	2,525	10.8
Moderate	16.2	16.4	11	8.4	2,066	8.8
Middle	20.8	19.6	17	13.0	3,878	16.6
Upper	52.9	53.4	90	68.7	14,043	60.0
Not Available	1.2	1.1	3	2.3	890	3.8
Totals	100.0	100.0	131	100.0	23,402	100.0

*Source: 2015 ACS; 2020 CRA Data; and, 2020 CRA Aggregate Data.
Due to rounding, totals may not equal 100.0 percent.*

Home Mortgage Loans

The geographic distribution of home mortgage loans is adequate. Lending in low-income tracts was consistent with demographic data but slightly below aggregate lending data. In 2019, lending in low-income tracts at 11.1 percent was double the demographic data and above aggregate lending. Lending in moderate-income tracts was well below demographic and aggregate lending data in 2020. However, in 2019, lending in moderate-income tracts was 11.1 percent compared to demographics of 15.1 percent and aggregate data of 13.5 percent.

Geographic Distribution of Home Mortgage Loans Nashville MSA Assessment Area						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low	5.5	7.4	1	4.8	325	3.6
Moderate	15.1	12.0	1	4.8	300	3.3
Middle	31.2	26.2	4	19.0	416	4.5
Upper	48.3	54.4	14	66.7	7,913	86.4
Not Available	0.0	0.0	1	4.8	200	2.2
Totals	100.0	100.0	21	100.0	9,154	100.0

*Source: 2015 ACS; 2020 CRA Data; and, 2020 CRA Aggregate Data.
Due to rounding, totals may not equal 100.0 percent.*

Borrower Profile

The distribution of small business loans to businesses of different sizes and home mortgage loans to borrowers of different incomes is adequate.

Small Business Loans

The distribution of small business loans reflects adequate penetration to businesses with gross annual revenues of \$1 million or less. Lending to small businesses was significantly below demographic data and below aggregate data.

Distribution of Small Business Loans by Gross Annual Revenue Category Nashville MSA Assessment Area						
Gross Revenue Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
<=\$1,000,000	86.4	42.0	48	36.6	6,861	29.3
>\$1,000,000	4.7	--	58	44.3	12,251	52.4
Revenue Not Available	8.9	--	25	19.1	4,290	18.3
Totals	100.0	100.0	131	100.0	23,402	100.0

*Source: 2020 D&B Data; 2020 CRA Data; and, 2020 CRA Aggregate Data.
"--" data not available.*

Home Mortgage Loans

The distribution of home mortgage loans reflects poor penetration among borrowers of different incomes. The bank did not originate any home mortgage loans to low-income borrowers. Lending to moderate-income borrowers was also significantly lower than both the demographic and aggregate lending data. Lending in moderate-income tracts increased in 2021 but remained well below demographic data.

Distribution of Home Mortgage Loans by Borrower Income Level Nashville MSA Assessment Area						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low	21.4	3.5	0	0.0	0	0.0
Moderate	15.4	12.9	1	4.8	70	0.8
Middle	18.0	17.5	2	9.5	365	4.0
Upper	45.1	51.8	17	81.0	8,479	92.6
Not Available	0.0	14.3	1	4.8	240	2.6
Totals	100.0	100.0	21	100.0	9,154	100.0

*Source: 2015 ACS; 2020 HMDA Data; and, 2020 HMDA Aggregate Data.
Due to rounding, totals may not equal 100.0 percent.*

Community Development Loans

First-Citizens Bank originated few, if any, community development loans in the Nashville MSA assessment area. The bank originated four community development loans totaling \$30,000. This amount represents 40.0 percent by number and 9.1 percent by dollar volume of community development loans originated within Tennessee. Regarding the community development purpose,

three loans support community service, and one loan supports economic development. Examples of community development loans follow.

- \$15,000 to a non-profit organization that specializes in micro-lending targeted to minority-owned small businesses.
- \$5,000 line-of-credit to a non-profit organization that provides community services to targeted to low- and moderate-income individuals.

INVESTMENT TEST

First-Citizens Bank has an excellent level of qualified investments in the assessment area. The bank exhibits good responsiveness to credit and community development needs and occasionally uses innovative and/or complex investments to support community development initiatives.

Investment and Grant Activity

The bank has an excellent level of qualified investments in the Nashville MSA assessment area. Qualified investments total \$26.3 million or 89.2 percent of Tennessee qualified investments. Investments include two GNMA MBS supporting affordable housing projects, of which \$19.8 million benefited the assessment area. Prior period investments include three GNMA MBS supporting affordable housing projects, of which \$6.5 million benefited the assessment area. Further, the bank made seven donations or grant contributions totaling \$10,100. Of these contributions, \$4,600 benefited community services, and \$5,500 benefited economic development. Provided below are examples of donations that benefited the assessment area.

- \$5,000 to a CDFI that provides economic development opportunities to businesses.
- \$3,750 to an organization that provides community services to low- and moderate-income individuals.

SERVICE TEST

First-Citizens Bank's delivery systems are accessible to essentially all portions of the Nashville MSA assessment area. The institution did not open or close any branches in the assessment area during the evaluation period; thus, no adverse impact is noted to the accessibility of its delivery systems. Services and business hours do not vary in a way that inconveniences certain portions of the assessment area, particularly low- and moderate-income geographies, or individuals. The bank provided a relatively high level of community development services.

Accessibility of Delivery Systems

Delivery systems are accessible to essentially all portions of the assessment area. The conclusions regarding the accessibility of delivery systems for the assessment area are consistent with the institution overall and more favorable than the Tennessee rated area. The bank operates two branches in the assessment area with one of the branch within a low-income tract, which is significantly above the level of population within the low-income tracts. There is one ATM in the assessment area in an upper-income tract.

Branch Distribution by Geography Income Level Nashville MSA Assessment Area						
Tract Income Level	Census Tracts		Population		Branches	
	#	%	#	%	#	%
Low	28	14.2	92,933	10.8	1	50.0
Moderate	44	22.2	184,318	21.5	0	0.0
Middle	55	27.8	249,356	29.1	0	0.0
Upper	68	34.3	330,023	38.5	1	50.0
NA	3	1.5	1,332	0.2	0	0.0
Total	198	100.0	857,962	100.0	2	100.0
<i>Source: 2015 ACS Data and Bank Data</i>						

Community Development Services

First-Citizens Bank provided a relatively high level of community development services in the assessment area. Bank employees and Board members provided 23 instances for 112 hours of community development service. These services equate to 3.8 instances and 18.7 hours of community development service per branch per year. This performance accounts for 0.4 percent of the bank-wide community development services and 73.2 percent of state-wide community development services by number of services. The level of community development services is above the percentage of branches within the assessment area at 0.4 percent bank-wide and 33.3 percent state-wide. The bank engaged in 23 instances of community development service compared with 7 instances at the previous evaluation. The following are examples of community development services provided.

- An employee is on the Board of a non-profit organization, whose mission is to serve women and minority entrepreneurs as they advance in business or start a business with the mentorship from industry experts and leaders.
- An employee gave numerous presentations on several topics including cash flow, capital, and entrepreneurship on behalf of a local business incubation center, whose mission is to grow sustainable companies that ultimately create jobs and wealth.
- An employee provided financial advising and information on obtaining credit and business strategy to small business owners at an event held by a local chamber of commerce, whose mission is to provide leadership and resources to members and partners by creating enhanced economic and educational opportunities.

OTHER ASSESSMENT AREAS – Limited-Scope Review

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE LIMITED-SCOPE ASSESSMENT AREAS

The following table summarizes the conclusions for the two Tennessee assessment areas reviewed using limited-scope examination procedures. Conclusions regarding the institution's CRA performance within the limited-scope areas were derived from reviewing available facts and data, including performance data, aggregate lending data comparisons, and demographic information. The conclusions did not alter the bank's overall performance rating.

Assessment Area	Lending Test	Investment Test	Service Test
Chattanooga MSA	Consistent	Below	Consistent
Johnson City MSA	Above	Below	Consistent

The branch distribution and alternative delivery systems for the limited-scope assessment areas are less favorable than the overall institution. Additionally, the service hours, loan and deposit products, services, and branch hours do not inconvenience low- and moderate-income individuals or areas.

A summary of First-Citizens Bank's operations and activities for limited-scope areas, as well as geographic distribution and borrower profile data for 2020 are presented below. Demographic data and market share information for the limited-scope assessment areas are detailed in the Appendices.

Chattanooga MSA Assessment Area

The Chattanooga, TN-GA MSA is comprised of Carter, Unicoi, and Washington Counties; however, the bank only delineated Washington County as the assessment area. First-Citizens Bank operates one branch in this assessment area, which accounts for 16.7 percent of state-wide branches. In addition, the assessment area accounts for 21.6 percent of state-wide lending by dollar volume, 17.5 percent of state-wide lending by number of loans, and 13.9 percent of state-wide deposits. The following activities occurred in the assessment area during the review period.

Activity	#	\$(000s)
Home Mortgage Loans	30	15,187
Small Business Loans	150	32,169
Community Development Loans	3	150
Investments (New)	--	--
Investments (Prior Period)	--	--
Donations	3	1
Community Development Services	3	6 hours
<i>Small business and home mortgage lending volumes are based on the combined 2019, 2020, and 2021 lending data, while the community development loans, qualified investments, and community development services are from previous evaluation through December 31, 2021. Qualified investments also include those from prior periods that remain outstanding.</i>		

Geographic Distribution and Borrower Profile

Geographic Distribution of Home Mortgage Loans Chattanooga MSA Assessment Area						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low	4.2	2.7	0	0.0	0	0.0
Moderate	11.7	8.6	1	7.1	638	10.1
Middle	37.2	34.8	3	21.4	782	12.4
Upper	46.9	54.0	10	71.4	4,879	77.5
Totals	100.0	100.0	14	100.0	6,298	100.0
<i>Source: 2015 ACS; 2020 HMDA Data; and, 2020 HMDA Aggregate Data. Due to rounding, totals may not equal 100.0 percent.</i>						

**Geographic Distribution of Small Business Loans
Chattanooga MSA Assessment Area**

Tract Income Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
Low	7.8	9.7	5	6.3	2,985	18.1
Moderate	14.6	13.6	8	10.1	1,311	8.0
Middle	36.0	35.1	33	41.8	5,618	34.1
Upper	41.3	41.4	33	41.8	6,553	39.8
Not Available	0.3	0.2	0	0.0	0	0.0
Totals	100.0	100.0	79	100.0	16,467	100.0

Source: 2020 D&B Data; Bank Data; 2020 CRA Aggregate Data, "--" data not available.

**Distribution of Home Mortgage Loans by Borrower Income Level
Chattanooga MSA Assessment Area**

Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low	20.2	5.2	0	0.0	0	0.0
Moderate	17.0	15.9	1	7.1	25	0.4
Middle	18.9	19.6	0	0.0	0	0.0
Upper	44.0	41.1	11	78.6	5,313	84.4
Not Available	0.0	18.2	2	14.3	960	15.2
Totals	100.0	100.0	14	100.0	6,298	100.0

*Source: 2015 ACS; 2020 HMDA Data; and, 2020 HMDA Aggregate Data.
Due to rounding, totals may not equal 100.0 percent.*

**Distribution of Small Business Loans by Gross Annual Revenue Category
Chattanooga MSA Assessment Area**

Gross Revenue Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
<=\$1,000,000	85.8	37.4	30	38.0	6,240	37.9
>\$1,000,000	4.6	--	43	54.4	8,922	54.2
Revenue Not Available	9.6	--	6	7.6	1,305	7.9
Totals	100.0	100.0	79	100.0	16,467	100.0

*Source: 2020 D&B Data; 2020 CRA Data; and, 2020 CRA Aggregate Data.
"--" data not available.*

Johnson City MSA Assessment Area

The Johnson City, TN MSA is comprised of Hamilton, Marion, and Sequatchie Counties; however, the bank only delineated Hamilton County as the assessment area. First-Citizens Bank operates one branch in this assessment area, which accounts for 16.7 percent of state-wide branches. In addition, the assessment area accounts for 5.8 percent of state-wide lending by dollar volume, 8.0 percent of state-wide lending by number of loans, and 13.9 percent of state-wide deposits. The following activities occurred in the assessment area during the review period.

Activity	#	\$(000s)
Home Mortgage Loans	19	4,827
Small Business Loans	62	7,808
Community Development Loans	--	--
Investments (New)	--	--
Investments (Prior Period)	--	--
Donations	2	<1
Community Development Services	4	8 hours
<i>Small business and home mortgage lending volumes are based on the combined 2019, 2020, and 2021 lending data, while the community development loans, qualified investments, and community development services are from previous evaluation through December 31, 2021. Qualified investments also include those from prior periods that remain outstanding.</i>		

Geographic Distribution and Borrower Profile

Geographic Distribution of Small Business Loans Johnson City MSA Assessment Area						
Tract Income Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
Moderate	14.5	13.7	4	12.5	523	12.0
Middle	39.3	36.3	4	12.5	85	2.0
Upper	45.8	50.0	24	75.0	3,750	86.0
Not Available	0.4	0.0	0	0.0	0	0.0
Totals	100.0	100.0	32	100.0	4,358	100.0
<i>Source: 2015 ACS; 2020 CRA Data; and, 2020 CRA Aggregate Data.</i>						

**Distribution of Small Business Loans by Gross Annual Revenue Category
Johnson City MSA Assessment Area**

Gross Revenue Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
<=\$1,000,000	82.9	36.9	19	59.4	1,443	33.1
>\$1,000,000	4.7	--	8	25.0	2,647	60.7
Revenue Not Available	12.4	--	5	15.6	268	6.2
Totals	100.0	100.0	32	100.0	4,358	100.0

*Source: 2020 D&B Data; 2020 CRA Data; and, 2020 CRA Aggregate Data.
"--" data not available.*

COLORADO

CRA RATING FOR COLORADO: SATISFACTORY

The Lending Test is rated: Low Satisfactory

The Investment Test is rated: Outstanding

The Service Test is rated: High Satisfactory

DESCRIPTION OF INSTITUTION'S OPERATIONS IN COLORADO

The evaluation of the Colorado performance considered the operations of First-Citizens Bank in two assessment areas, which are detailed in the Description of Assessment Areas. There have been no changes to the bank's Colorado assessment areas since the previous evaluation. The bank operates five or 1.0 percent of its branch offices in Colorado. Colorado accounts for 0.8 percent of bank-wide loans by dollar volume, 0.7 percent of state-wide lending by number of loans, and 0.5 percent of the bank-wide deposits. Overall, First-Citizens Bank ranks 56th in the state in deposit market share at 0.1 percent. Competitor institutions in the assessment areas include Wells Fargo Bank, NA; US Bank, NA; and JP Morgan Chase Bank, NA. Together, the three competitor institutions account for 45.1 percent of the market share.

SCOPE OF EVALUATION – COLORADO

Examiners conducted a full-scope review of performance in the Denver MSA assessment area. A significant portion of the loans (88.5 percent), deposits (91.3 percent), and branches (80.0 percent) in Colorado are concentrated in the assessment area. Therefore, the overall analysis, conclusions, and ratings for Colorado are predicated on the performance in the Denver MSA assessment area. Examiners conducted a limited-scope review of performance in the Boulder MSA assessment area. Small business loans constitute the primary loan type in all assessment areas, comprising 97.1 percent of the loans by number of loans and 92.9 percent by dollar volume. The levels are similar in each assessment area. Therefore, the conclusions are predicated on small business lending performance. Home mortgage loans were not reviewed in the limited-scope assessment area as only three loans were originated over the review period. For the Denver MSA assessment area, home mortgage loans were only reviewed for 2020 given the limited volume originated in 2019 and 2021. Small farm loans were not included in the analysis as the bank originated only one small farm loan over the three year period.

CONCLUSIONS ON PERFORMANCE CRITERIA IN COLORADO

LENDING TEST

The Lending Test rating for Colorado is Low Satisfactory. Lending levels reflect adequate responsiveness to the Colorado assessment areas' credit needs. The geographic distribution reflects adequate penetration throughout the assessment areas, and the borrower profile reflects adequate distribution of lending to borrowers of different incomes and businesses of different sizes. The institution uses innovative and/or flexible lending practices and originated a relatively high level of

community development loans. Lending performance was predicated on the only full-scope assessment area; thus, such is consistent with the overall rated area.

Lending Activity

Lending levels reflect adequate responsiveness to the Colorado MSA assessment areas' credit needs. The tables presented in each assessment area detail the number and dollar volume of home mortgage and small business loans in 2020.

Geographic Distribution

The overall geographic distribution of home mortgage and small business loans is adequate.

The geographic distribution of both home mortgage loans and small business loans reflects adequate penetration throughout the assessment areas.

Borrower Profile

The overall distribution of home mortgage loans to borrowers of different incomes and small business loans businesses of different sizes is adequate.

The distribution of both home mortgage loans and small business loans is adequate among borrowers of different income levels and businesses of different sizes.

Community Development Loans

First-Citizens Bank originated a relatively high level of community development loans in Colorado. During his evaluation period, the bank originated six community development loans totaling \$7.3 million. This represents 1.1 percent by number and 0.9 percent by dollar volume of total bank-wide community development loans. The analysis of the Denver MSA assessment area includes a detailed discussion of community development loans.

INVESTMENT TEST

The Investment Test is rated Outstanding. First-Citizens Bank has an excellent level of qualified investments in Colorado. The bank exhibits good responsiveness to credit and community development needs and occasionally uses innovative and/or complex investments to support community development initiatives.

Investment and Grant Activity

The bank has an excellent level of qualified investments in Colorado. Qualified investments total \$46.5 million or 7.2 percent of bank-wide qualified investments. Investments include three nationwide GNMA MBS supporting affordable housing projects, of which \$37.0 million benefited an assessment area in Colorado. Prior period investments include a nationwide GNMA MBS supporting affordable housing projects, of which \$7.4 million benefited an assessment area in

Colorado. Additionally, the bank invested in a nationwide investment supporting affordable housing in an assessment area in Colorado that totaled \$2.0 million. The bank also made 16 donations for \$20,390. Please refer to the full-scope assessment area for examples.

SERVICE TEST

The Service Test rating is High Satisfactory in Colorado. First-Citizens Bank’s delivery systems are accessible to limited portions of the assessment areas. The institution did not open or close any branches in Colorado during the evaluation period; thus, no adverse impact is noted to the accessibility of its delivery systems. Services and business hours do not vary in a way that inconveniences certain portions of the assessment areas, particularly low- and moderate-income geographies, or individuals. The bank is a leader in providing community development services.

Accessibility of Delivery Systems

Delivery systems are accessible to limited portions of the Colorado assessment areas. The conclusions regarding the accessibility of delivery systems for the Colorado rated area are less favorable than the institution overall. The bank operates four full-service branches and one limited-service branch in Colorado. The table below reflects the percent of branches in moderate-income areas at just below the population level. There are no branches in the low-income areas. Additionally, the vast majority of the bank’s operations in Colorado are within the Denver MSA assessment area, including four of the five branches. None of the branches in the Denver MSA assessment area are in low- or moderate-income tracts. The bank operates one ATM in Colorado in a middle-income tract. The branch distribution by geography income level is shown in the following table.

Colorado - Branch Distribution by Geography Income Level						
Tract Income Level	Census Tracts		Population		Branches	
	#	%	#	%	#	%
Low	54	10.5	244,688	10.4	0	0.0
Moderate	135	26.1	616,167	26.3	1	20.0
Middle	160	30.9	729,264	31.1	3	60.0
Upper	165	31.9	755,232	32.2	1	20.0
NA	3	0.6	825	0.0	0	0.0
Total	517	100.0	2,346,176	100.0	5	100.0
<i>Source: 2015 ACS Data and Bank Data</i>						

Community Development Services

First-Citizens Bank is a leader in providing community development services in Colorado. Bank employees and Board members provided 14 instances for 385 hours of community development service in Colorado. These services equate to 0.9 instances and 25.7 hours of community development service per branch per year. This performance represented 1.5 percent of the bank-wide community development services by number of hours. The level of community development services is greater than the percentage of branches within the assessment area at 1.0 percent. Employees are involved in community development organizations that primarily provide economic

development and community services for low- and moderate-income individuals and areas. The bank provided 7 community development services at the last evaluation. Refer to the Denver MSA assessment area for examples.

Community Development Services										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	Hours	#	Hours	#	Hours	#	Hours	#	Hours
Boulder MSA	0	0	0	0	0	0	0	0	0	0
Denver MSA	0	0	5	218	8	166	1	1	14	385
Colorado Totals	0	0	5	218	8	166	1	1	14	385
<i>Source: Bank Data</i>										

DENVER MSA ASSESSMENT AREA – Full-Scope Review

DESCRIPTION OF INSTITUTION’S OPERATIONS IN THE DENVER MSA ASSESSMENT AREA

The Denver-Aurora-Lakewood, CO MSA includes 10 counties; however, the bank delineated Adams, Arapahoe, Denver, and Douglas Counties as the assessment area. There have been no changes to the assessment area since the last evaluation. The bank operates four or 80.0 percent of its Colorado branch offices in the Denver MSA assessment area. The assessment area represents 88.5 percent of the state-wide loans by dollar volume, 89.4 percent of state-wide lending by number of loans, and 91.3 percent of state-wide deposits.

Economic and Demographic Data

The assessment area consists of 449 census tracts, including 49 low-income tracts, 121 moderate-income tracts, 130 middle-income tracts, and 146 upper-income tracts. Three tracts have no income designation. The following table presents demographic information from the 2015 ACS Census and 2020 D&B data.

Demographic Information for the Denver MSA Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	449	10.9	26.9	29.0	32.5	0.7
Population by Geography	2,036,144	11.0	26.9	29.3	32.8	0.0
Housing Units by Geography	815,736	10.5	25.6	31.1	32.7	0.0
Owner-Occupied Units by Geography	468,273	6.0	21.5	30.5	41.9	0.0
Occupied Rental Units by Geography	304,864	16.8	31.7	32.0	19.5	0.0
Vacant Units by Geography	42,599	14.1	27.9	31.8	26.2	0.0
Businesses by Geography	314,918	8.4	19.2	29.6	42.4	0.4
Farms by Geography	5,322	10.2	20.7	28.7	39.8	0.6
Family Distribution by Income Level	483,025	23.0	17.6	20.0	39.5	0.0
Household Distribution by Income Level	773,137	24.5	16.7	18.1	40.7	0.0
Median Family Income - Denver-Aurora-Lakewood, CO MSA		\$80,820	Median Housing Value			\$278,319
			Median Gross Rent			\$1,067
			Families Below Poverty Level			9.0%
<i>Source: 2015 ACS and 2020 D&B Data</i> <i>Due to rounding, totals may not equal 100.0 percent</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

The Geographic Distribution criterion compares home mortgage loans to the distribution of owner-occupied housing units and compares small business loans to the percentage of businesses located in low-, moderate-, middle-, and upper-income census tracts. The 2015 ACS data shows a majority

of owner-occupied housing units and businesses are within the middle- and upper-income tracts, indicating most of the lending opportunities will be in these geographies. The moderate-income tracts contain a good level of owner-occupied housing units and businesses, while significantly fewer opportunities are indicated in the low-income tracts.

The FFIEC updated Denver-Aurora-Lakewood, CO MSA MFIs were used to analyze home mortgage loans under the Borrower Profile criterion. The following table presents each income category.

Denver MSA – Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
2019 (\$92,800)	<\$46,400	\$46,400 to <\$74,240	\$74,240 to <\$111,360	≥\$111,360
2020 (\$100,000)	<\$50,000	\$50,000 to <\$80,000	\$80,000 to <\$120,000	≥\$120,000
2021 (\$104,800)	<\$52,400	\$52,400 to <\$83,840	\$83,840 to <\$125,760	≥\$125,760
<i>Source: FFIEC</i>				

The analysis of home mortgage lending by borrower income uses families by income level as a comparison to bank performance. The median housing value is over \$278,000, and prices are continuing to rise due to the current economic conditions, which can potentially make housing increasingly unaffordable for low-income individuals. Therefore, lending opportunities to low-income families may be limited.

The analysis of small business loans under the Borrower Profile criterion compares the distribution of small business lending by gross annual revenue. The D&B 2020 distribution of businesses based on gross annual revenues is listed below.

- 91.0 percent reported \$1 million or less;
- 3.1 percent reported more than \$1 million; and
- 5.9 percent did not report revenues.

In 2020, the top industries were Services and Finance, Insurance, and Real Estate. A significant majority of businesses, 93.0 percent, have less than 10 employees. The top employers as reported by Metro Denver EDC in May of 2020 were Health ONE, UC Health, Lockheed Martin Corporation, United Airlines, and Children’s Hospital Colorado.

The 2020 unemployment rates increased sharply due to the COVID-19 pandemic. The unemployment rates for 2021 dropped slightly, although the rates in all counties in the assessment area remain significantly above the pre-pandemic levels. Unemployment rates in the assessment area were above state and national unemployment rates, with the exception of Douglas County.

Unemployment Rates			
Area	2019	2020	2021
	%	%	%
Adams County	2.8	7.6	6.3
Arapahoe County	2.6	7.5	5.8
Denver County	2.5	7.7	6.0
Douglas County	2.2	5.4	4.1
Colorado	2.6	6.9	5.4
National Average	3.7	8.1	5.2
<i>Source: Bureau of Labor Statistics</i>			

Competition

The assessment area is highly competitive. According to the FDIC Deposit Market Share data as of June 30, 2021, 67 FDIC-insured institutions operate 468 branches within the assessment area. Of these institutions, First-Citizens Bank ranked 32nd with a market share of 0.2 percent. Competitor institutions in the assessment areas include Wells Fargo Bank, NA; US Bank, NA; and JP Morgan Chase Bank, NA. Together, the three competitor institutions account for 55.4 percent of the market share.

There is a high level of competition for home mortgage loans among banks, credit unions, and non-depository mortgage lenders. Aggregate data for 2020 shows 860 lenders reported 226,806 residential mortgage loans originated or purchased. First-Citizens Bank ranked 395th with a market share of less than 0.1 percent. The five dominant home mortgage lenders accounted for 21.7 percent of total market share by number.

In addition, there is a high level of competition for business loans within the assessment area. Aggregate data for 2020 shows 275 lenders reported 74,465 small business loans originated or purchased in the assessment area. Overall, First-Citizens Bank ranked 30th with 0.5 percent market share by number of loans and 21st with 1.3 percent of the dollar volume of loans. The five dominant small business lenders accounted for 55.1 percent of the total market share by number.

Community Contact

As part of the CRA evaluation process, examiners contact third parties active in the assessment area to assist in identifying the credit and community development needs. This information helps determine whether local financial institutions are responsive to these needs. It also shows what credit and community development opportunities are available.

Examiners reviewed an existing community contact with an economic development organization serving the southern portion of the assessment area including Arapahoe and Douglas Counties as well as the southern portion of Denver County. The contact indicated the economy is growing and that growth was stable through 2020 and into 2021. Businesses are having difficulty keeping up with increasing demand and in particular are having difficulties finding skilled employees. The contact indicated there are still housing shortages in the area, particularly affordable homes, and that businesses have difficulty recruiting employees due to the high cost and limited availability of

housing. The contact indicated the primary needs of the area are affordable housing and improved transportation, although improved transit would likely not be remedied by increased credit availability. The contact indicated that financial institutions are meeting the needs of the area and noted no lack of funding for small businesses or consumers.

Credit and Community Development Needs and Opportunities

Considering information from the community contact and demographic and economic data, examiners determined that affordable housing and small business loans represent primary credit needs for the assessment area. As noted by the community contact, the supply of available affordable housing remains low, which represents an opportunity for home construction lending both to consumers and businesses as well as opportunities for community development loans and investments. The significant percentage of businesses with gross annual revenues of \$1 million or less and the large number of businesses with 10 or fewer employees support the conclusion regarding the need for small business lending. The need for improved transportation in the assessment area was also identified and represents an additional opportunity for community developments loans and investments.

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE DENVER MSA ASSESSMENT AREA

LENDING TEST

Lending levels in the Denver MSA assessment area reflect adequate responsiveness to assessment area credit needs. The geographic distribution reflects adequate penetration throughout the assessment area, and the borrower profile reflects adequate distribution of loans among businesses of different sizes and borrowers of different income levels. The institution uses innovative and/or flexible lending practices and originated a relatively high level of community development loans.

Lending Activity

Lending levels reflect adequate responsiveness to the assessment area's credit needs. The tables presented below detail the number and dollar volume of 2020 small business and home mortgage loans in this assessment area.

Geographic Distribution

The geographic distribution of loans is adequate.

Small Business Loans

The geographic distribution of small business loans reflects adequate penetration throughout the assessment area. Lending in low-income tracts was just below demographic and aggregate lending data. Lending in moderate-income tracts was below demographic and aggregate data. Lending in moderate-income tracts in 2019 was higher at 17.0 percent as compared to demographics of 18.8 percent and aggregate data of 19.2 percent.

Geographic Distribution of Small Business Loans Denver MSA Assessment Area						
Tract Income Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
Low	8.4	9.5	29	7.1	4,388	6.7
Moderate	19.2	18.6	57	13.9	11,480	17.6
Middle	29.6	29.0	156	38.0	26,347	40.5
Upper	42.4	42.4	167	40.6	22,603	34.7
Not Available	0.4	0.5	2	0.5	280	0.4
Totals	100.0	100.0	411	100.0	65,098	100.0

*Source: 2015 ACS; 2020 CRA Data; and, 2020 CRA Aggregate Data.
Due to rounding, totals may not equal 100.0 percent.*

Home Mortgage Loans

The geographic distribution of home mortgage loans is adequate. Lending in low-income tracts was above demographic and aggregate lending data. However, the bank's performance in moderate-income tracts was significantly below demographic and aggregate lending data.

Geographic Distribution of Home Mortgage Loans Denver MSA Assessment Area						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low	6.0	4.9	1	7.7	70	1.3
Moderate	21.5	18.2	1	7.7	139	2.6
Middle	30.5	30.1	0	0.0	0	0.0
Upper	41.9	46.9	11	84.6	5,226	96.2
Totals	100.0	100.0	13	100.0	5,435	100.0

*Source: 2015 ACS; 2020 HMDA Data; and, 2020 HMDA Aggregate Data.
Due to rounding, totals may not equal 100.0 percent.*

Borrower Profile

The distribution of small business loans to businesses of different sizes and home mortgage loans to borrowers of different incomes is adequate.

Small Business Loans

The distribution of small business loans reflects adequate penetration to businesses with gross annual revenues of \$1 million or less. Lending to small businesses was significantly below demographic data but consistent with aggregate data.

Distribution of Small Business Loans by Gross Annual Revenue Category Denver MSA Assessment Area						
Gross Revenue Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
<=\$1,000,000	91.0	40.5	172	41.8	21,868	33.6
>\$1,000,000	3.1	--	142	34.6	31,192	47.9
Revenue Not Available	5.9	--	97	23.6	12,038	18.5
Totals	100.0	100.0	411	100.0	65,098	100.0

Source: 2020 D&B Data; 2020 CRA Data; and, 2020 CRA Aggregate Data.
"--" data not available.

Home Mortgage Loans

The distribution of home mortgage loans reflects adequate penetration among borrowers of different incomes. Lending to low-income borrowers was significantly above aggregate lending data but below demographic data. No loans were originated to moderate-income borrowers.

Distribution of Home Mortgage Loans by Borrower Income Level Denver MSA Assessment Area						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low	23.0	5.6	2	15.4	209	3.8
Moderate	17.6	18.6	0	0.0	0	0.0
Middle	20.0	22.7	0	0.0	0	0.0
Upper	39.5	36.9	11	84.6	5,226	96.2
Not Available	0.0	16.2	0	0.0	0	0.0
Totals	100.0	100.0	13	100.0	5,435	100.0

Source: 2015 ACS; 2020 HMDA Data; and, 2020 HMDA Aggregate Data.
Due to rounding, totals may not equal 100.0 percent.

Community Development Loans

First-Citizens Bank originated a relatively high level of community development loans in the Denver MSA assessment area. The bank originated four community development loans totaling \$7.1 million. This amount represents 66.7 percent by number and 97.3 percent by dollar volume of community development loans originated within Colorado. Regarding the community development purpose, three loans support community services, and one loan supports revitalization or stabilization. Examples of community development loans follow.

- \$7.0 million loan to construct a medical office building that will help to revitalize and stabilize a low-income census tract.

INVESTMENT TEST

First-Citizens Bank has an excellent level of qualified investments in the assessment area. The bank exhibits good responsiveness to credit and community development needs and occasionally uses innovative and/or complex investments to support community development initiatives.

Investment and Grant Activity

The bank has an excellent level of qualified investments in the Denver MSA assessment area. Qualified investments total \$46.4 million or 99.9 percent of Colorado qualified investments. Investments include three nationwide GNMA MBS supporting affordable housing projects, of which \$37.0 million benefited the Denver MSA assessment area. Prior period investments include a nationwide GNMA MBS supporting affordable housing projects, of which \$7.4 million benefited the assessment area. Additionally, the bank invested in a nationwide investment supporting affordable housing totaling \$2.0 million. Further, the bank made 11 donation or grant contributions totaling \$14,140. Of these contributions, \$11,140 benefited community services, and \$3,000 benefited economic development. Provided below are examples of donations that benefited the assessment area.

- \$4,500 to an organization that provides community services to low- and moderate-income individuals.
- \$3,000 to a non-profit organization that provides economic development opportunities to small businesses.

SERVICE TEST

First-Citizens Bank's delivery systems are accessible to limited portions of the Denver MSA assessment area. The institution did not open or close any branches in the assessment area during the evaluation period; thus, no adverse impact is noted to the accessibility of its delivery systems. Services and business hours do not vary in a way that inconveniences certain portions of the assessment area, particularly low- and moderate-income geographies, or individuals. The bank is a leader in providing community development services.

Accessibility of Delivery Systems

Delivery systems are accessible to limited portions of the assessment area. The conclusions regarding the accessibility of delivery systems for the assessment area are less favorable than the institution overall and consistent with the Colorado rated area. The bank operates four branches in the assessment area, representing 80.0 percent of branches in Colorado. The bank operates no branches in low- or moderate-income tracts. Additionally, the bank operates only one ATM in the assessment, which is located in a middle-income tract.

Branch Distribution by Geography Income Level Denver MSA Assessment Area						
Tract Income Level	Census Tracts		Population		Branches	
	#	%	#	%	#	%
Low	49	10.9	223,763	11.0	0	0.0
Moderate	121	26.9	547,175	26.9	0	0.0
Middle	130	29.0	595,680	29.3	3	75.0
Upper	146	32.5	668,701	32.8	1	25.0
NA	3	0.7	825	0.0	0	0.0
Total	449	100.0	2,036,144	100.0	4	100.0
<i>Source: 2015 ACS Data and Bank Data</i>						

Community Development Services

First-Citizens Bank is a leader in providing community development services in the assessment area. Bank employees and Board members provided 14 instances for 385 hours of community development service. These services equate to 1.2 instances and 32.1 hours of community development service per branch per year. This performance accounts for 1.5 percent of the bank-wide community development services and 100.0 percent of state-wide community development services by number of hours. The level of community development services is above the percentage of branches within the assessment area at 0.8 percent bank-wide and 80.0 percent state-wide. The bank engaged in 5 instances of community development service at the previous evaluation. The following are examples of community development services provided.

- An employee is on the Board of a non-profit organization, whose mission is focused on providing employment and professional development for low-income students in their teens and into their early twenties.
- An employee is on the Board of a non-profit organization, whose mission is to provide children in need with opportunities and resources to empower them to achieve their full potential by assisting children and families facing difficult life challenges such as abuse and neglect, crisis situations, and poverty.
- An employee gave a presentation on business banking to small business owners on behalf of a community development organization. The presentation addressed topics including treasury management, merchant services, acquiring financing, and SBA loan programs.

OTHER ASSESSMENT AREAS – Limited-Scope Review

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE LIMITED-SCOPE ASSESSMENT AREAS

The following table summarizes the conclusions for the Colorado assessment area reviewed using limited-scope examination procedures. Conclusions regarding the institution’s CRA performance within the limited-scope area was derived from reviewing available facts and data, including performance data, aggregate lending data comparisons, and demographic information. The conclusions did not alter the bank’s overall performance rating.

Assessment Area	Lending Test	Investment Test	Service Test
Boulder MSA	Consistent	Below	Below

The branch distribution and alternative delivery systems for the limited-scope assessment area are below the overall institution. Additionally, the service hours, loan and deposit products, services, and branch hours do not inconvenience low- and moderate-income individuals or areas.

A summary of First-Citizens Bank’s operations and activities for the limited-scope area, as well as geographic distribution and borrower profile data for 2020 are presented below. Demographic data and market share information for the limited-scope assessment area are detailed in the Appendices.

Boulder MSA Assessment Area

The Boulder, CO MSA comprises only one county, Boulder County which is designated as the bank’s Boulder MSA assessment area. First-Citizens Bank operates one branch in this assessment area, which accounts for 20.0 percent of state-wide branches. In addition, the assessment area accounts for 11.5 percent of state-wide lending by dollar volume, 10.6 percent of lending by number of loans, and 8.7 percent of state-wide deposits. The following activities occurred in the assessment area during the review period.

Activity	#	\$(000s)
Home Mortgage Loans	3	1,045
Small Business Loans	113	19,823
Community Development Loans	2	200
Investments (New)	--	--
Investments (Prior Period)	--	--
Donations	5	6
Community Development Services	0	-
<i>Small business and home mortgage lending volumes are based on the combined 2019, 2020, and 2021 lending data, while the community development loans, qualified investments, and community development services are from previous evaluation through December 31, 2021. Qualified investments also include those from prior periods that remain outstanding.</i>		

Geographic Distribution and Borrower Profile

Geographic Distribution of Small Business Loans Boulder MSA Assessment Area						
Tract Income Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
Low	3.8	3.6	2	3.8	730	8.4
Moderate	28.1	30.3	21	39.6	2,431	28.0
Middle	38.8	37.5	19	35.8	4,446	51.1
Upper	29.4	28.6	11	20.8	1,087	12.5
Totals	100.0	100.0	53	100.0	8,694	100.0
<i>Source: 2015 ACS; 2020 CRA Data; and, 2020 CRA Aggregate Data. Due to rounding, totals may not equal 100.0 percent.</i>						

Distribution of Small Business Loans by Gross Annual Revenue Category Boulder MSA Assessment Area						
Gross Revenue Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
<=\$1,000,000	92.1	41.2	16	30.2	3,108	35.7
>\$1,000,000	2.8	--	22	41.5	4,627	53.2
Revenue Not Available	5.1	--	15	28.3	959	11.0
Totals	100.0	100.0	53	100.0	8,694	100.0
<i>Source: 2020 D&B Data; 2020 CRA Data; and, 2020 CRA Aggregate Data. "--" data not available. Due to rounding, totals may not equal 100.0 percent.</i>						

NEW MEXICO

CRA RATING FOR NEW MEXICO: NEEDS TO IMPROVE

The Lending Test is rated: Needs to Improve

The Investment Test is rated: High Satisfactory

The Service Test is rated: High Satisfactory

DESCRIPTION OF INSTITUTION'S OPERATIONS IN NEW MEXICO

The evaluation of the New Mexico performance considered the operations of First-Citizens Bank in two assessment areas, which are detailed in the Description of Assessment Areas. There have been no changes to the bank's New Mexico assessment areas since the previous evaluation. The bank operates two or 0.4 percent of its branch offices in New Mexico. New Mexico accounts for 0.6 percent of bank-wide loans by dollar volume, 0.5 percent of lending by number of loans, and 0.5 percent of the bank-wide deposits. Overall, First-Citizens Bank ranks 33rd in the state in deposit market share at 0.5 percent. Competitor institutions in the assessment areas include Wells Fargo Bank, NA; Bank of America, NA; and Bank of the West. Together, the three competitor institutions account for 43.4 percent of the market share.

SCOPE OF EVALUATION – NEW MEXICO

Examiners conducted a full-scope review of performance in the Albuquerque MSA assessment area. A majority of the loans (68.3 percent), deposits (61.8 percent), and branches (50.0 percent) in New Mexico are concentrated in the assessment area. Therefore, the Albuquerque MSA assessment area received more weight in the overall analysis, conclusions, and ratings for the New Mexico rated area. The only limited-scope assessment area is the Santa Fe MSA assessment area and received lesser weight in the overall analysis, conclusions, and ratings for the New Mexico rated area. Small business loans constitute the primary loan type in assessment areas, comprising 95.6 percent of the loans by number of loans and 91.5 percent of lending by dollar volume. Similar levels are noted in each assessment area. Therefore, the conclusions were predicated on small business lending performance. Home mortgage loans were only reviewed in the Albuquerque MSA assessment area for 2021, given the limited home mortgage lending in the assessment in 2019 and 2020. Additionally, home mortgage loans were not reviewed in the limited-scope assessment area as only 10 loans were originated across the three year period. Small farm loans were not included in the analysis as no farm loans were originated in the assessment areas.

CONCLUSIONS ON PERFORMANCE CRITERIA IN NEW MEXICO

LENDING TEST

The Lending Test rating for New Mexico is Needs to Improve. Lending levels reflect adequate responsiveness to the New Mexico assessment areas' credit needs. The geographic distribution reflects adequate penetration throughout the assessment areas, and the borrower profile reflects adequate distribution of loans among businesses of different sizes and borrowers of different income levels. The institution uses innovative and/or flexible lending practices and originated a low

level of community development loans with only one loan for \$100,000 originated in the primary assessment area.

Lending Activity

Lending levels reflect adequate responsiveness to the New Mexico MSA assessment areas' credit needs. The tables presented in each assessment area detail the number and dollar volume of small business loans originated in 2020.

Geographic Distribution

The overall geographic distribution of home mortgage and small business loans is adequate based on the bank's overall small business lending performance and given the limited home mortgage lending.

Borrower Profile

The distribution of small business loans to businesses of different sizes and home mortgage loans to borrowers of different incomes is adequate based on the bank's overall small business lending performance given the limited home mortgage lending.

Community Development Loans

First-Citizens Bank originated a low level of community development loans in New Mexico. During this evaluation period, the bank originated 10 community development loans totaling \$605,000. This represents 1.8 percent by number and less than 1.0 percent by dollar volume of bank-wide community development loans. The performance in the limited-scope assessment area was higher than the Albuquerque MSA assessment area and contributed to the overall community development performance. The analysis for the Albuquerque MSA assessment area includes a detailed discussion of community development loans.

INVESTMENT TEST

The Investment Test is rated High Satisfactory. First-Citizens Bank has a significant level of qualified investments in New Mexico. The bank exhibits good responsiveness to credit and community development needs and occasionally uses innovative and/or complex investments to support community development initiatives. The performance in the limited-scope assessment area was significantly higher than the Albuquerque MSA assessment area and contributed to the overall Investment Test rating.

Investment and Grant Activity

The bank has a significant level of qualified community development investments in New Mexico. Qualified investments total \$24.7 million or 3.8 percent of bank-wide qualified investments. Investments include three nationwide GNMA MBS totaling \$23.1 million supporting affordable housing projects in New Mexico assessment areas, and prior period equity investments of a

nationwide investment fund totaling \$1.6 million supporting affordable housing projects. Additionally, five donations or grants totaling \$9,000 were made. Please refer to the full-scope assessment area for examples.

SERVICE TEST

The Service Test rating is High Satisfactory in New Mexico. First-Citizens Bank’s delivery systems are accessible to essentially all portions of the assessment areas. The institution did not open or close any branches in New Mexico during the evaluation period; thus, no adverse impact is noted to the accessibility of its delivery systems. Services and business hours do not vary in a way that inconveniences certain portions of the assessment areas, particularly low- and moderate-income geographies, or individuals. The bank provided a relatively high level of community development services.

Accessibility of Delivery Systems

Delivery systems are accessible to essentially all portions of the New Mexico assessment areas. The conclusions regarding the accessibility of delivery systems for the New Mexico rated area are consistent with the institution overall. The bank operates two full-service branches in New Mexico with one in a moderate- and one in an upper-income tract. The bank does not operate any ATMs in the rated area.

New Mexico - Branch Distribution by Geography Income Level						
Tract Income Level	Census Tracts		Population		Branches	
	#	%	#	%	#	%
Low	11	5.4	49,991	6.1	0	0.0
Moderate	56	27.6	254,905	31.0	1	50.0
Middle	67	33.0	248,394	30.3	0	0.0
Upper	67	33.0	264,570	32.2	1	50.0
NA	2	1.0	3,191	0.4	0	0.0
Total	203	100.0	821,051	100.0	2	100.0
<i>Source: 2015 ACS Data; Bank Data</i>						

Community Development Services

First-Citizens Bank provided a relatively high level of community development services in New Mexico. Bank employees and Board members provided 10 instances for 92 hours of community development service in New Mexico. These services equate to 1.7 instances and 15.3 hours of community development service per branch per year. This performance represented 0.4 percent of the bank-wide community development services by number of hours. The level of community development services is consistent with the percentage of branches within the assessment area at 0.4 percent. Employees are involved in community development organizations that primarily provide economic development and revitalization and stabilization for low- and moderate-income individuals and areas. Refer to the Albuquerque MSA assessment area for examples.

Community Development Services										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	Hours	#	Hours	#	Hours	#	Hours	#	Hours
Albuquerque MSA	0	0	0	0	5	67	2	21	7	88
Santa Fe MSA	0	0	0	0	2	3	1	1	3	4
New Mexico	0	0	0	0	7	70	3	22	10	92
<i>Source: Bank Data</i>										

ALBUQUERQUE MSA ASSESSMENT AREA – Full-Scope Review

DESCRIPTION OF INSTITUTION’S OPERATIONS IN THE ALBUQUERQUE MSA ASSESSMENT AREA

The Albuquerque, NM MSA includes four counties; however, the bank only delineated Bernalillo County as the assessment area. There have been no changes to the assessment area since the last evaluation. The bank operates one or 50.0 percent of its New Mexico branch offices in the Albuquerque MSA assessment area. The assessment area represents 68.3 percent of the state-wide loans by dollar volume, 68.6 percent of state-wide lending by number of loans, and 61.8 percent of state-wide deposits.

Economic and Demographic Data

The assessment area consists of 153 census tracts, including 10 low-income tracts, 46 moderate-income tracts, 44 middle-income tracts, and 51 upper-income tracts. Two tracts have no income designation. The following table presents demographic information from the 2015 ACS Census and 2020 D&B data.

Demographic Information for the Albuquerque MSA Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	153	6.5	30.1	28.8	33.3	1.3
Population by Geography	673,943	6.6	32.8	27.1	33.0	0.5
Housing Units by Geography	287,054	7.2	30.9	28.7	32.8	0.4
Owner-Occupied Units by Geography	163,821	2.8	28.4	28.6	40.1	0.2
Occupied Rental Units by Geography	99,449	14.0	34.6	28.3	22.4	0.6
Vacant Units by Geography	23,784	9.7	32.4	31.2	26.2	0.6
Businesses by Geography	53,823	10.6	25.3	29.1	34.0	1.0
Farms by Geography	1,002	5.9	27.7	27.7	38.4	0.2
Family Distribution by Income Level	161,704	25.1	15.3	17.8	41.8	0.0
Household Distribution by Income Level	263,270	26.3	15.6	16.3	41.8	0.0
Median Family Income - Albuquerque, NM MSA	\$60,032	Median Housing Value				\$196,050
		Median Gross Rent				\$825
		Families Below Poverty Level				15.0%
<i>Source: 2015 ACS and 2020 D&B Data Due to rounding, totals may not equal 100.0 percent. (*) The NA category consists of geographies that have not been assigned an income classification.</i>						

The Geographic Distribution criterion compares small business loans to the percentage of businesses located in low-, moderate-, middle-, and upper-income tracts. The 2015 ACS data shows a majority of businesses are disbursed fairly evenly among the moderate-, middle-, and upper-income tracts. Businesses in low-income tracts is significantly less.

The analysis of small business loans under the Borrower Profile criterion compares the distribution of small business lending by gross annual revenue. The D&B 2020 distribution of businesses based on gross annual revenues is listed below.

- 85.6 percent reported \$1 million or less;
- 4.7 percent reported more than \$1 million; and
- 9.6 percent did not report revenues.

In 2020, the top industries were Professional and Business services and Retail Trade. The top employers were Sandia National Laboratories, Presbyterian Healthcare Services, Kirkland Air Force Base, University of New Mexico, and Lovelace Medical Center.

The 2020 unemployment rate increased sharply due to the COVID-19 pandemic. The unemployment rate for 2021 dropped, although the rate remains well above the pre-pandemic levels. Unemployment rates in the assessment area were generally below state unemployment rate but exceeded the national average.

Unemployment Rates			
Area	2019	2020	2021
	%	%	%
Bernalillo County	4.5	7.8	6.2
New Mexico	4.9	8.1	6.8
National Average	3.7	8.1	5.2
<i>Source: Bureau of Labor Statistics</i>			

Competition

The assessment area is somewhat competitive. According to the FDIC Deposit Market Share data as of June 30, 2021, 23 FDIC-insured institutions operated 106 branches within the assessment area. Of these institutions, First-Citizens Bank ranked 13th with a market share of 0.7 percent. Competitor institutions in the assessment areas include Wells Fargo Bank, NA; Bank of America, NA; and Bank of the West. Together, the three competitor institutions account for 65.6 percent of the market share.

In addition, there is a high level of competition for business loans within the assessment area. Aggregate data for 2020 shows 158 lenders reported 13,744 small business loans originated or purchased in the assessment area. Overall, First-Citizens Bank ranked 16th with 1.4 percent market share by number of loans and 10th with 3.8 percent of the dollar volume of loans. The five dominant small business lenders accounted for 49.1 percent of the total market share by number.

Community Contact

As part of the CRA evaluation process, examiners contact third parties active in the assessment area to assist in identifying the credit and community development needs. This information helps determine whether local financial institutions are responsive to these needs. It also shows what credit and community development opportunities are available.

Examiners referenced an existing community contact with a lender relations specialist with the Small Business Administration (SBA) serving New Mexico. The contact stated that the credit needs in the assessment area primarily consist of working capital for existing and new small businesses. In addition, the contact stated that, in difficult economic times, New Mexico is generally slow to recover, which explains the current unemployment trends. Furthermore, the contact stated that community development opportunities available to financial institutions include financial literacy and education, business owner counseling, and participation in SBA loan programs. Finally, the contact stated that community banks are working hard to meet the credit needs of the community during difficult times.

Credit and Community Development Needs and Opportunities

Considering demographic and economic data as well as information obtained from the community contact, examiners determined small business loans for new business owners represent a primary credit need for the assessment area. The significant percentage of businesses with gross annual revenues of \$1 million or less at 85.6 percent and the large number of businesses with fewer than ten employees at 88.7 percent support this conclusion.

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE ALBUQUERQUE MSA ASSESSMENT AREA

LENDING TEST

Lending levels in the Albuquerque MSA assessment area reflect adequate responsiveness to assessment area credit needs. The geographic distribution reflects adequate penetration throughout the assessment area, and the borrower profile reflects adequate distribution of loans among businesses of different sizes and borrowers of different income levels. The institution uses innovative and/or flexible lending practices and originated few, if any, community development loans.

Lending Activity

Lending levels reflect adequate responsiveness to the assessment area's credit needs. The tables presented below detail the number and dollar volume of 2020 small business loans in this assessment area. Home mortgage loans were reviewed only for 2021.

Geographic Distribution

The geographic distribution of loans is adequate based on the small business lending performance as a limited level of home mortgage loans were originated and only reviewed for 2021.

Small Business Loans

The geographic distribution of small business loans reflects adequate penetration throughout the assessment area. Lending in both low- and moderate-income tracts was comparable to demographic and aggregate lending data.

Geographic Distribution of Small Business Loans Albuquerque MSA Assessment Area						
Tract Income Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
Low	10.6	12.7	25	11.3	3,022	7.9
Moderate	25.3	26.9	56	25.3	13,814	36.2
Middle	29.1	26.9	54	24.4	11,163	29.3
Upper	34.0	33.0	86	38.9	10,137	26.6
Not Available	1.0	0.6	0	0.0	0	0.0
Totals	100.0	100.0	221	100.0	38,136	100.0

Source: 2015 ACS; 2020 CRA Data; and, 2020 CRA Aggregate Data.
Due to rounding, totals may not equal 100.0 percent.

Home Mortgage Loans

The bank originated 12 home mortgage loans in the assessment area in 2021. None of the loans were in low- or moderate-income tracts.

Borrower Profile

The distribution of small business loans to businesses of different sizes and home mortgage loans to borrowers of different incomes is adequate based on the small business lending performance as a limited level of home mortgage loans were originated and only reviewed for 2021.

Small Business Loans

Lending to businesses with gross annual revenues of \$1 million or less is adequate. In 2020, lending performance was significantly lower than both demographic and aggregate data. However, as reflected in the table below, a significant percentage of loans did not have revenue reported. The significant level of loans without revenue available impacts the overall analysis of loans to small businesses. As a result, an analysis of loans without revenue available by size of the loan was conducted. The analysis determined that 65 or 61.9 percent of loans without revenue had origination amounts of \$100,000 or less, indicating assistance to small businesses.

Distribution of Small Business Loans by Gross Annual Revenue Category Albuquerque MSA Assessment Area						
Gross Revenue Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
<=\$1,000,000	85.6	40.5	51	23.1	7,736	20.3
>\$1,000,000	4.7	--	65	29.4	13,990	36.7
Revenue Not Available	9.6	--	105	47.5	16,410	43.0
Totals	100.0	100.0	221	100.0	38,136	100.0

Source: 2020 D&B Data; 2020 CRA Data; and, 2020 CRA Aggregate Data.
"--" data not available.
Due to rounding, totals may not equal 100.0 percent.

Community Development Loans

First-Citizens Bank originated a few, if any, community development loans in the Albuquerque MSA assessment area. The bank originated one community development loan totaling \$100,000. This amount represents 10.0 percent by number and 16.5 percent by dollar volume of community development loans originated within New Mexico. The loan was a line of credit to a non-profit organization to fund community services to low-and moderate-income families

INVESTMENT TEST

First-Citizens Bank has few, if any, qualified investments in the assessment area. The bank exhibits good responsiveness to credit and community development needs and occasionally uses innovative and/or complex investments to support community development initiatives.

Investment and Grant Activity

The bank has few, if any, qualified investments in the Albuquerque MSA assessment area. Qualified investments consist of two donations totaling \$3,500. Of these contributions, \$2,000 benefited affordable housing, and \$1,500 benefited community services. Provided below are examples of donations that benefited the assessment area.

- \$2,000 to a non-profit Community Development Corporation that provides affordable housing opportunities to individuals.
- \$1,500 to a non-profit organization that provides community services to low- and moderate-income individuals.

SERVICE TEST

First-Citizens Bank's delivery systems are accessible to essentially all portions of the Albuquerque MSA assessment area as the bank operates one branch in the assessment area, which is located in a moderate-income tract. Services and business hours do not vary in a way that inconveniences certain portions of the assessment, particularly low- and moderate-income geographies, or individuals. The institution did not open or close any branches in the assessment area during the evaluation period; thus, no adverse impact is noted to the accessibility of its delivery systems. The bank is a leader in providing community development services.

Accessibility of Delivery Systems

Delivery systems are accessible to essentially all portions of the assessment area. The conclusions regarding the accessibility of delivery systems for the assessment area are consistent with both the institution overall and the New Mexico rated area. The bank operates one branch in the assessment area, which is located in a moderate-income tract. Moderate-income tracts account for 32.8 percent of the population in the assessment area. The population within the low-income tracts is significantly lower at 6.6 percent. There are no ATMs in the assessment area.

Community Development Services

First-Citizens Bank is a leader in providing community development services in the assessment area. Bank employees and Board members provided seven instances for 88 hours of community development service. These services equate to 2.3 instances and 29.3 hours of community development service per branch per year. This performance accounts for 0.3 percent of the bank-wide community development services and 95.7 percent of state-wide community development services by number of hours. The level of community development services is above the percentage of branches within the assessment area at 0.2 percent bank-wide and 50.0 percent state-wide. The bank engaged in four instances of community development service at the previous evaluation. The following are examples of community development services provided.

- An employee serves on the Board and as Treasurer for a local non-profit association of businesses, organizations and tech professionals working together to promote the growth and success of assessment area's technology business sectors.
- An employee conducted a presentation on SBA PPP forgiveness guidance, shared application resources, and clarified the process to many business owners, including minority-owned and women-owned businesses in the assessment area.
- An employee conducted a presentation on credit and financing to small business owners in cooperation with a local small business development center.

OTHER ASSESSMENT AREAS – Limited-Scope Review

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE LIMITED-SCOPE ASSESSMENT AREA

The following table summarizes the conclusions for the single New Mexico assessment area reviewed using limited-scope examination procedures. Conclusions regarding the institution’s CRA performance within the limited-scope area was derived from reviewing available facts and data, including performance data, aggregate lending data comparisons, and demographic information. The conclusions did not alter the bank’s overall performance rating regarding Lending and Services; however, the level of community development lending in the Santa Fe MSA assessment area did result in the community development lending being considered Needs to Improve as opposed to Substantial Noncompliance. However, given the significant level of investments, the Santa Fe MSA assessment area increased the overall Investment Test rating.

Assessment Area	Lending Test	Investment Test	Service Test
Santa Fe MSA	Above	Above	Below

The branch distribution and alternative delivery systems for the limited-scope assessment area are below the overall institution. Additionally, the service hours, loan and deposit products, services, and branch hours do not inconvenience low- and moderate-income individuals or areas.

A summary of First-Citizens Bank’s operations and activities for the limited-scope area, as well as geographic distribution and borrower profile data for 2020 are presented below. Demographic data and market share information for the limited-scope assessment area are detailed in the Appendices.

Santa Fe MSA Assessment Area

The Santa Fe MSA comprises Santa Fe County, which comprises the entire Santa Fe, NM MSA. First-Citizens Bank operates one branch in this assessment area, which accounts for 50.0 percent of state-wide branches. In addition, the assessment area accounts for 31.7 percent of state-wide lending by dollar volume, 31.4 percent of state-wide lending by number of loans, and 38.2 percent of state-wide deposits. The following activities occurred in the assessment area during the review period.

Activity	#	\$(000s)
Home Mortgage Loans	10	4,965
Small Business Loans	233	40,881
Community Development Loans	9	505
Investments (New)	3	23,100*
Investments (Prior Period)	1	1,600**
Donations	3	5
Community Development Services	3	4 hours
<i>Small business and home mortgage lending volumes are based on the combined 2019, 2020, and 2021 lending data, while the community development loans, qualified investments, and community development services are from previous evaluation through December 31, 2021. Qualified investments also include those from prior periods that remain outstanding.</i>		
<i>* The bank invested in three nationwide GNMA MBS supporting affordable housing projects, of which \$23.1 million benefited the Santa Fe MSA assessment area.</i>		
<i>** The bank participated in one prior period nationwide investment fund supporting affordable housing, of which \$1.6 million benefited the Santa Fe MSA assessment area.</i>		

Geographic Distribution and Borrower Profile

Geographic Distribution of Small Business Loans Santa Fe MSA Assessment Area						
Tract Income Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
Low	4.5	6.4	5	6.2	661	5.7
Moderate	14.1	15.2	14	17.3	1,409	12.2
Middle	39.4	35.7	32	39.5	5,632	48.6
Upper	42.0	42.7	30	37.0	3,877	33.5
Totals	100.0	100.0	81	100.0	11,579	100.0
<i>Source: 2015 ACS; 2020 CRA Data; and, 2020 CRA Aggregate Data.</i>						

Distribution of Small Business Loans by Gross Annual Revenue Category Santa Fe MSA Assessment Area						
Gross Revenue Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
<=\$1,000,000	87.8	38.3	28	34.6	6,462	55.8
>\$1,000,000	3.6	--	25	30.9	3,099	26.8
Revenue Not Available	8.6	--	28	34.6	2,018	17.4
Totals	100.0	100.0	81	100.0	11,579	100.0
<i>Source: 2020 D&B Data; 2020 CRA Data; and, 2020 CRA Aggregate Data. "--" data not available. Due to rounding, totals may not equal 100.0 percent.</i>						

OKLAHOMA

CRA RATING FOR OKLAHOMA: SATISFACTORY

The Lending Test is rated: Low Satisfactory

The Investment Test is rated: Outstanding

The Service Test is rated: Low Satisfactory

DESCRIPTION OF INSTITUTION'S OPERATIONS IN OKLAHOMA

The evaluation of the Oklahoma performance considered the operations of First-Citizens Bank in one assessment area, which is detailed in the Description of Assessment Areas. In June 2020, First-Citizens Bank opened a branch in Norman, OK, which resulted in the addition of Cleveland County in the Oklahoma City MSA assessment area. The bank delineated two (Oklahoma and Cleveland) of the seven counties that comprise the Oklahoma City, OK MSA as the Oklahoma City MSA assessment area. The bank operates two or 0.4 percent of its branch offices in Oklahoma. Oklahoma accounts for 0.3 percent of bank-wide loans by dollar volume and 0.4 percent of the bank-wide deposits. Overall, First-Citizens Bank ranks 110th in the state in deposit market share at 0.1 percent. Competitor institutions in the assessment areas include Bokf, NA; Midfirst Bank; and Bancfirst. Together, the three competitor institutions account for 32.8 percent of the market share.

Economic and Demographic Data

The assessment area consists of 303 census tracts, including 28 low-income tracts, 96 moderate-income tracts, 97 middle-income tracts, and 73 upper-income tracts. Nine census tracts have no income designation. The following table presents demographic information from the 2015 ACS Census and 2020 D&B data.

Demographic Information for the Oklahoma City MSA Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	303	9.2	31.7	32.0	24.1	3.0
Population by Geography	1,023,094	7.8	27.4	34.6	29.8	0.3
Housing Units by Geography	435,859	7.7	29.4	34.6	27.9	0.4
Owner-Occupied Units by Geography	236,895	4.4	21.2	37.3	36.9	0.1
Occupied Rental Units by Geography	153,771	11.4	39.4	31.5	17.0	0.7
Vacant Units by Geography	45,193	12.2	38.3	31.0	17.9	0.7
Businesses by Geography	108,294	4.9	23.0	32.2	36.2	3.6
Farms by Geography	2,581	4.3	20.1	33.7	40.8	1.1
Family Distribution by Income Level	247,112	22.7	17.3	19.9	40.1	0.0
Household Distribution by Income Level	390,666	24.6	17.0	17.8	40.5	0.0
Median Family Income - Oklahoma City, OK MSA	\$64,058	Median Housing Value				\$138,852
		Median Gross Rent				\$803
		Families Below Poverty Level				12.3%
<i>Source: 2015 ACS and 2020 D&B Data</i>						
<i>Due to rounding, totals may not equal 100.0 percent.</i>						
<i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

The Geographic Distribution criterion compares home mortgage loans to the distribution of owner-occupied housing units and compares small business loans to the percentage of businesses located in low-, moderate-, middle-, and upper-income tracts. The 2015 ACS data shows a majority of owner-occupied housing units and businesses are within the middle- and upper-income tracts, indicating most of the lending opportunities will be in these geographies. The moderate-income tracts contain a good level of owner-occupied housing units and businesses, while significantly fewer opportunities are indicated in the low-income tracts.

The FFIEC updated, Oklahoma City, OK MSA MFIs were used to analyze home mortgage loans under the Borrower Profile criterion. The following table presents each income category.

Oklahoma City MSA – Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
2019 (\$73,100)	<\$36,550	\$36,550 to <\$58,480	\$58,480 to <\$87,720	≥\$87,720
2020 (\$74,000)	<\$37,000	\$37,000 to <\$59,200	\$59,200 to <\$88,800	≥\$88,800
2021 (\$73,100)	<\$36,550	\$36,550 to <\$58,480	\$58,480 to <\$87,720	≥\$87,720
<i>Source: FFIEC</i>				

The analysis of home mortgage lending by borrower income uses families by income level as a comparison to bank performance. The median housing value is over \$138,000, and prices are

continuing to rise due to the current economic conditions, which can potentially make housing increasingly unaffordable for low-income families. Therefore, lending opportunities to low-income families may be somewhat limited.

The analysis of small business loans under the Borrower Profile criterion compares the distribution of small business lending by gross annual revenue. The D&B 2020 distribution of businesses based on gross annual revenues is listed below.

- 87.9 percent reported \$1 million or less;
- 3.9 percent reported more than \$1 million; and
- 8.2 percent did not report revenues.

In 2020, the top industries were Education and Health Services; Professional and Business Services; and, Business Services. Additionally, approximately 90.6 percent of businesses operate with nine or fewer employees. The top employers were Tinker Air Force Base; University of Oklahoma-Norman; Integris Health; University of Oklahoma Health Sciences Center; and FAA Mike Monroney Aeronautical Center.

The 2020 unemployment rates increased sharply due to the COVID-19 pandemic. Unemployment rates dropped in 2021, but remain elevated above the pre-pandemic levels. Unemployment rates in the assessment area were generally comparable to state unemployment rates but below national averages over the evaluation period.

Unemployment Rates			
Area	2019	2020	2021
	%	%	%
Oklahoma County	3.0	6.5	4.1
Cleveland County	2.7	5.7	3.3
Oklahoma	3.0	6.5	4.1
National Average	3.7	8.1	5.2
<i>Source: Bureau of Labor Statistics</i>			

Competition

The assessment area is highly competitive. According to the FDIC Deposit Market Share data as of June 30, 2021, 64 FDIC-insured institutions operate 303 branches within the assessment area. Of these institutions, First-Citizens Bank ranked 35th with a market share of 0.4 percent. Competitor institutions in the assessment area include Midfirst Bank; JPMorgan, NA; and Bokf, NA. Together, the three competitor institutions account for 49.3 percent of the market share.

In addition, there is a high level of competition for business loans within the assessment area. Aggregate data for 2020 shows 166 lenders reported 27,561 small business loans originated or purchased in the assessment area. Overall, First-Citizens Bank ranked 30th with 0.5 percent market share by number of loans and 16th with a 1.4 percent market share by dollar volume. The five dominant small business lenders accounted for 50.2 percent of the total market share by number.

Community Contact

As part of the CRA evaluation process, examiners contact third parties active in the assessment area to assist in identifying the credit and community development needs. This information helps determine whether local financial institutions are responsive to these needs. It also shows what credit and community development opportunities are available. Examiners referenced one recent community contact within the Oklahoma City MSA assessment area.

The community contact was from a local government agency that provides resources to grow existing industries, recruit new companies, and develop an active entrepreneurial environment, resulting in quality job creation and a diverse economy. The contact described generally stable economic conditions with continued growth in several industries, such as aerospace and e-commerce. The contact stated that the recent COVID-19 pandemic revealed that the area's small businesses were not prepared to participate in lending arrangements with mainstream financial institutions. The contact identified a greater need for local financial institutions to engage with the smaller businesses, specifically as it relates to lending and financial literacy.

Credit and Community Development Needs and Opportunities

Considering information from the community contact and demographic and economic data, examiners determined that there is a need for small business lending within the assessment area. Small businesses represent a significant portion of the area, with 87.9 percent of businesses having gross annual revenues of \$1 million or less, and 90.6 percent having nine or fewer employees. This indicates there are small business lending opportunities in the area. In addition, as indicated by the information from the community contact, community development resources are a need within the assessment area.

SCOPE OF EVALUATION – OKLAHOMA

CONCLUSIONS ON PERFORMANCE CRITERIA IN OKLAHOMA

The evaluation of Oklahoma considered operations in the Oklahoma City MSA assessment area. The assessment area was revised in June 2020 with the addition of Cleveland County due to a new branch opening. As a result, the analysis for the assessment area included Cleveland County in 2020 and 2021. Since Oklahoma only includes one assessment area, the performance presented will be within the Oklahoma City MSA assessment area and will serve as the overall state rating. Small business loans constitute the primary loan type in the assessment area, comprising 95.9 percent of the loans. Small business loans constitute the primary loan type, comprising 97.8 percent of assessment area lending by number of loans and 95.9 percent of assessment area loans by dollar volume. Home mortgage loans were also reviewed; however, the level of home mortgage loans is low with a total of six loans originated in 2019, 2020, and 2021. Therefore, the analysis of home mortgage loans did not provide meaningful conclusions and is not presented. Small farm loans were not included in the analysis as only one loan was originated over the three year period. Therefore, the overall analysis, ratings, and conclusions are based on small business lending performance.

LENDING TEST

The Lending Test rating for Oklahoma is Low Satisfactory. Lending levels in the Oklahoma City MSA assessment area reflect adequate responsiveness to assessment area credit needs. The geographic distribution reflects adequate penetration throughout the assessment area, and the borrower profile reflects a good distribution of loans among businesses of different sizes. The institution uses innovative and/or flexible lending practices and originated an adequate level of community development loans.

Lending Activity

Lending levels reflect adequate responsiveness to the assessment area's credit needs. The tables presented below detail the number and dollar volume of 2020 small business loans in this assessment area.

Geographic Distribution

The geographic distribution of loans is adequate.

Small Business Loans

The geographic distribution of small business loans reflects adequate penetration throughout the assessment area. Lending in low-income tracts was slightly below demographic and aggregate lending data. Lending in moderate-income tracts was comparable to demographic and mirrored aggregate lending data.

Geographic Distribution of Small Business Loans Oklahoma City MSA Assessment Area						
Tract Income Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
Low	4.9	5.1	4	2.4	646	2.2
Moderate	23.0	22.0	36	22.0	6,461	21.7
Middle	32.2	31.3	53	32.3	9,966	33.5
Upper	36.2	38.6	67	40.9	12,379	41.6
Not Available	3.6	3.0	4	2.4	336	1.1
Totals	100.0	100.0	164	100.0	29,788	100.0

*Source: 2015 ACS; 2020 CRA Data; and, 2020 CRA Aggregate Data.
Due to rounding, totals may not equal 100.0 percent.*

Borrower Profile

The distribution of small business to businesses of different sizes is good.

Small Business Loans

The distribution of small business loans reflects good penetration to businesses with gross annual revenues of \$1 million or less. Lending to small businesses was significantly below demographic data but was well above aggregate lending.

Distribution of Small Business Loans by Gross Annual Revenue Category Oklahoma City MSA Assessment Area						
Gross Revenue Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
<=\$1,000,000	87.9	28.7	65	39.6	7,901	26.5
>\$1,000,000	4.0	--	87	53.0	18,902	63.5
Revenue Not Available	8.2	--	12	7.3	2,985	10.0
Totals	100.0	100.0	164	100.0	29,788	100.0
<i>Source: 2020 D&B Data; 2020 CRA Data; and, 2020 CRA Aggregate Data. "--" data not available. Due to rounding, totals may not equal 100.0 percent</i>						

Community Development Loans

First-Citizens Bank originated an adequate level of community development loans in Oklahoma. During this evaluation period, the bank originated four community development loans totaling \$3.0 million. This represents 0.7 percent by number and 0.3 percent by dollar volume of total bank-wide community development loans. Regarding the community development purpose, three loans support community services, and one loan supports revitalization or stabilization. An example of a community development loan is a \$2.9 million loan to construct a clinic in a moderate-income census tract.

INVESTMENT TEST

The Investment Test is rated Outstanding. First-Citizens Bank has an excellent level of qualified investments in Oklahoma. The bank exhibits good responsiveness to credit and community development needs and occasionally uses innovative and/or complex investments to support community development initiatives.

Investment and Grant Activity

The bank has an excellent level of qualified investments in Oklahoma. Qualified investments total \$22.6 million or 3.5 percent of bank-wide qualified investments. Investments include two nationwide GNMA MBS supporting affordable housing projects, of which \$22.5 million benefited the Oklahoma City MSA assessment area. The bank also made nine donations for \$17,250. Provided below are examples of donations that benefited the assessment area.

- \$1,000 to a non-profit organization that provides community services to low- and moderate-income individuals.
- \$1,500 to an organization that provides economic development opportunities to small

businesses.

SERVICE TEST

The Service Test rating is Low Satisfactory in Oklahoma. First-Citizens Bank’s delivery systems are accessible to limited portions of the assessment area, and the opening and closing of branches has adversely affected the accessibility of its delivery systems, particularly with respect to low- and moderate-income geographies or individuals. Services and business hours do not vary in a way that inconveniences certain portions of the assessment area, particularly low- and moderate-income geographies, or individuals. The bank is a leader in providing community development services.

Accessibility of Delivery Systems

Delivery systems are accessible to limited portions of the Oklahoma MSA assessment area. The conclusions regarding accessibility of delivery systems are less favorable than the overall institution. The bank operates two full-service branches in Oklahoma, with both branches located in upper-income tracts. There are not ATMs in the assessment area.

Oklahoma - Branch Distribution by Geography Income Level						
Tract Income Level	Census Tracts		Population		Branches	
	#	%	#	%	#	%
Low	28	9.2	80,085	7.9	0	0.0
Moderate	96	31.7	280,707	27.4	0	0.0
Middle	97	32.0	354,383	34.6	0	0.0
Upper	73	24.1	304,763	29.8	2	100.0
NA	9	3.0	3,156	0.3	0	0.0
Total	303	100.0	1,023,094	100.0	2	100.0
<i>Source: 2015 ACS Data and Bank Data</i>						

Changes in Branch Locations

To the extent changes have been made, the institution’s opening and closing of branches has adversely affected the accessibility of delivery systems. Since the previous evaluation, the bank has opened one branch and closed one branch in Oklahoma. The bank opened one branch located in an upper-income tract and closed one branch located in a moderate-income tract. As shown in the table below, the net effect was a decrease of one branch in moderate-income tracts and an increase of one branch in upper-income tracts. With the closure of the branch located in the moderate-income tract, the bank no longer operates any branches in low- or moderate-income tracts. As a result, the closure negatively impacted the accessibility of banking services in low- and moderate-income geographies and to low- and moderate-income individuals.

Net Distribution of Branch Openings/Closings						
Assessment Area	# of Branch Openings	# of Branch Closings	Income Level of Census Tract (+/-)			
			Low	Moderate	Middle	Upper
Oklahoma City, OK MSA	1	1	0	-1	0	+1
<i>Source: Bank Data</i>						

Community Development Services

First-Citizens Bank is a leader in providing community development services in the assessment area. Bank employees and Board members provided 15 instances for 88 hours of community development service. These services equate to 2.5 instances and 31.3 hours of community development service per branch per year. This performance accounts for 0.7 percent of the bank-wide community development services by number of hours. The level of community development services is above the percentage of branches within the assessment area at 0.4 percent bank-wide. The bank engaged in 3 instances of community development service at the previous evaluation. The following are examples of community development services provided.

- An employee in on the Board of a local non-profit affordable housing organization, whose mission is to bring people together to build homes, community, and hope while providing affordable housing to low-income families.
- An employee serves on the Board of a non-profit organization, whose mission is to provide food, resources, services, and education to at-risk individuals and families.
- An employee serves on the Board of a non-profit organization, whose mission is to serve children, empower youth, and strengthen families through programs and services to aide and educate families coping with abuse, neglect, divorce, separation, teenage pregnancy, a lack of quality out-of-school care, and/or other adverse experiences.

WEST VIRGINIA

CRA RATING FOR WEST VIRGINIA: SATISFACTORY

The Lending Test is rated: High Satisfactory

The Investment Test is rated: Substantial Noncompliance

The Service Test is rated: High Satisfactory

DESCRIPTION OF INSTITUTION'S OPERATIONS IN WEST VIRGINIA

The bank delineated a portion of the WV Non-MSA as the assessment area in West Virginia. The WV Non-MSA assessment area includes Greenbrier and Pocahontas Counties. There have been no changes to the assessment area since the last evaluation. The bank operates four or 0.8 percent of its branch offices in West Virginia. West Virginia accounts for 0.1 percent of bank-wide loans by dollar volume, 0.3 percent of bank-wide lending by number of loans, and 0.4 percent of the bank-wide deposits. Overall, First-Citizens Bank ranks 38th in the state in deposit market share at 0.4 percent. Competitor institutions in the assessment areas include Truist Bank, United Bank, and WesBanco Bank, Inc. Together, the three competitor institutions account for 38.8 percent of the market share.

Economic and Demographic Data

The assessment area includes nine middle-income tracts and two upper-income tracts, with no low- or moderate-income tracts in the assessment area. The FFIEC has designated certain Non-MSA middle-income census tracts as distressed and/or underserved. The designations for distressed are based on high unemployment, high poverty, and significant population losses. The designations for underserved tracts are based on areas being rural and remote. In 2020, three of the nine middle-income tracts in the WV Non-MSA assessment area were designated as distressed and/or underserved. The following table presents demographic information from the 2015 ACS data and the 2020 D&B Data.

Demographic Information for the WV Non-MSA Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	11	0.0	0.0	81.8	18.2	0.0
Population by Geography	44,363	0.0	0.0	85.2	14.8	0.0
Housing Units by Geography	27,936	0.0	0.0	85.6	14.4	0.0
Owner-Occupied Units by Geography	14,261	0.0	0.0	84.1	15.9	0.0
Occupied Rental Units by Geography	4,815	0.0	0.0	81.0	19.0	0.0
Vacant Units by Geography	8,860	0.0	0.0	90.6	9.4	0.0
Businesses by Geography	2,904	0.0	0.0	71.5	28.5	0.0
Farms by Geography	188	0.0	0.0	85.1	14.9	0.0
Family Distribution by Income Level	12,238	19.7	16.0	24.8	39.4	0.0
Household Distribution by Income Level	19,076	22.7	17.5	17.8	42.0	0.0
Median Family Income Non-MSAs - WV	\$48,107	Median Housing Value				\$108,252
		Median Gross Rent				\$658
		Families Below Poverty Level				13.7%

Source: 2015 ACS and 2020 D&B Data
Due to rounding, totals may not equal 100.0 percent.
(*) The NA category consists of geographies that have not been assigned an income classification.

The FFIEC updated WV Non-MSA MFIs were used to analyze home mortgage loans under the Borrower Profile criterion. The following table presents each income category.

WV Non-MSA - Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
2019 (\$52,200)	<\$26,100	\$26,100 to <\$41,760	\$41,760 to <\$62,640	≥\$62,640
2020 (\$54,000)	<\$27,000	\$27,000 to <\$43,200	\$43,200 to <\$64,800	≥\$64,800
2021 (\$54,600)	<\$27,300	\$27,300 to <\$43,680	\$43,680 to <\$65,520	≥\$65,520

Source: FFIEC

The analysis of home mortgage lending by borrower income uses families by income level as a comparison to bank performance. The median housing value is over \$108,000, and prices are continuing to rise due to the current economic conditions, which can potentially make housing increasingly unaffordable for low-income individuals. Therefore, lending opportunities to low-income families may be somewhat limited.

The analysis of small business loans under the Borrower Profile criterion compares the distribution of small business lending by gross annual revenue. The D&B 2020 distribution of businesses based on gross annual revenues is listed below.

- 81.5 percent reported \$1 million or less;

- 4.5 percent reported more than \$1 million; and
- 14.0 percent did not report revenues.

In 2020, the top industries were Services and Retail Trade. In addition, approximately 88.1 percent of area businesses have ten or fewer employees. The top employers were local resorts, school boards, and hospitals.

The 2020 unemployment rates increased sharply due to the COVID-19 pandemic. The unemployment rates for 2021 dropped sharply and are slightly below the pre-pandemic levels and state and national averages.

Unemployment Rates			
Area	2019	2020	2021
	%	%	%
Greenbrier County	4.6	7.9	4.5
Pocahontas County	5.6	9.3	5.0
West Virginia	4.9	8.2	5.1
National Average	3.7	8.1	5.2
<i>Source: Bureau of Labor Statistics</i>			

Competition

The assessment area is marginally competitive. According to the FDIC Deposit Market Share data as of June 30, 2021, eight FDIC-insured institutions operate 23 branches within the assessment area. Of these institutions, First-Citizens Bank ranked 3rd with a market share of 16.2 percent. Competitor institutions in the assessment areas include City National Bank of West Virginia, Premier Bank, and Truist Bank. Together, the three competitor institutions accounted for 66.2 percent of the market share.

There is a moderate level of competition for home mortgage loans among banks, credit unions, and non-depository mortgage lenders. Aggregate data for 2020 shows 124 lenders reported 1,242 residential mortgage loans originated or purchased indicating moderate competition. First-Citizens Bank ranked 4th with a market share of 2.8 percent. The five dominant home mortgage lenders accounted for 49.2 percent of total market share by number.

In addition, there is a high level of competition for business loans within the assessment area. Aggregate data for 2020 shows 58 lenders reported 684 small business loans originated or purchased in the assessment area. Overall, First-Citizens Bank ranked 3rd with an 8.6 percent market share by number of loans and 3rd with 13.4 percent of the dollar volume of loans. The five dominant small business lenders accounted for 54.1 percent of the total market share by number.

Community Contact

As part of the CRA evaluation process, examiners contact third parties active in the assessment area to assist in identifying the credit and community development needs. This information helps determine whether local financial institutions are responsive to these needs. It also shows what

credit and community development opportunities are available. Examiners referenced one recent community contact within the WV Non-MSA assessment area.

The contact is employed by a local economic development corporation serving the Greenbrier Valley, which includes Greenbrier and Pocahontas Counties. The organization is focused on business retention, growth of existing businesses, and the development of new businesses as well as supporting entrepreneurs. The contact stated that challenges faced by area businesses include a shortage of willing and qualified workers and limited land for development. The contact stated that local land conservation programs compound limited land for development problems. In addition, the contact stated the assessment area has a low labor participation rate due to an aging population and workforce. Furthermore, affordable housing is also an issue, as the market for higher-end second and vacation homes has been strong, and the supply of affordable housing for those in the workforce is low. The contact identified the primary needs and opportunities as financial and educational assistance for new small businesses as well as investment in local infrastructure to stabilize or revitalize the local assessment area.

Credit and Community Development Needs and Opportunities

Considering information from the community contact and demographic and economic data, examiners determined small business loans represent a primary credit need for the assessment area. The significant percentage of businesses with gross annual revenues of \$1 million or less at 82.3 percent and the large number of businesses with ten or fewer employees at 88.1 percent support this conclusion. Additionally, affordable housing represents a need as 35.7 percent of families are low- and moderate-income. Community development opportunities identified by the community contact include financial education for new small businesses, investment in local infrastructure, and workforce development programs.

SCOPE OF EVALUATION – WEST VIRGINIA

The evaluation of West Virginia considered operations in the WV Non-MSA assessment area. Since West Virginia only includes one assessment area, the performance presented will be the performance within the WV Non-MSA assessment area. Small business loans and home mortgage loans constitute the primary loan types in the assessment area, with home mortgage comprising 54.1 percent of assessment area loans by dollar volume and 46.3 percent by of assessment area loans by number of loans. Small business loans represent 37.1 percent of assessment area lending by dollar volume and 44.1 percent of assessment area lending by number of loans. Small farm loans were not included in the analysis due to the limited level of small farm loans originated. As a result, home mortgage lending and small business lending received equal weight in the overall analysis, conclusions, and ratings. The assessment area contains only middle- and upper-income census tract; therefore, no geographic distribution was conducted.

CONCLUSIONS ON PERFORMANCE CRITERIA IN WEST VIRGINIA

LENDING TEST

The Lending Test in West Virginia is rated High Satisfactory. Lending levels in the WV Non-MSA assessment area reflect good responsiveness to assessment area credit needs. The distribution of loans reflects good penetration to borrowers of different income levels and businesses of different sizes. The institution uses innovative and/or flexible lending practices and originated an adequate level of community development loans.

Lending Activity

Lending levels reflect good responsiveness to the assessment area’s credit needs. The tables presented below detail the number and dollar volume of 2020 home mortgage and small business loans in this assessment area.

Borrower Profile

The distribution of home mortgage loans to borrowers of different incomes and small business loans to businesses of different sizes is good.

Home Mortgage Loans

The distribution of home mortgage loans reflects good penetration among borrowers of different incomes. Lending to low-income borrowers in 2020 was significantly below the percent of low-income families but was consistent with aggregate lending data. Lending to moderate-income borrowers was well below demographic data and below aggregate lending data. In 2019, lending to low-income borrowers was 9.0 percent which was still well below demographics of 19.7 percent but was above aggregate lending of 5.2 percent. Moderate-income lending in 2019 stood at 26.9 percent, which was significantly above demographics of 16.0 percent and aggregate data at 14.2 percent.

Distribution of Home Mortgage Loans by Borrower Income Level WV Non-MSA Assessment Area						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low	19.7	4.3	2	3.6	114	1.8
Moderate	16.0	13.5	6	10.9	229	3.6
Middle	24.8	18.3	5	9.1	188	3.0
Upper	39.4	47.3	39	70.9	5,562	88.4
Not Available	0.0	16.6	3	5.5	196	3.1
Totals	100.0	100.0	55	100.0	6,288	100.0
<small>Source: 2015 ACS; 2020 HMDA Data; and, 2020 HMDA Aggregate Data. Due to rounding, totals may not equal 100.0 percent.</small>						

Small Business Loans

The distribution of small business loans reflects good penetration to businesses with gross annual revenues of \$1 million or less. While lending to small businesses was significantly below demographic data, lending was well above aggregate data.

Distribution of Small Business Loans by Gross Annual Revenue Category WV Non-MSA Assessment Area						
Gross Revenue Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
<=\$1,000,000	81.5	32.0	32	45.7	1,327	23.2
>\$1,000,000	4.5	--	25	35.7	3,645	63.8
Revenue Not Available	14.0	--	13	18.6	739	12.9
Totals	100.0	100.0	70	100.0	5,711	100.0

*Source: 2020 D&B Data; 2020 CRA Data; and, 2020 CRA Aggregate Data.
"--" data not available.
Due to rounding, totals may not equal 100.0 percent.*

Community Development Loans

First-Citizens Bank originated an adequate level of community development loans in West Virginia. During this evaluation period, the bank originated five community development loans totaling \$2.4 million. This represents 0.9 percent by number and 0.3 percent by dollar volume of total bank-wide community development loans. Regarding the community development purpose, three loans support affordable housing, and two loans support revitalization or stabilization.

Examples of community development loans follow.

- \$1.2 million loan and a \$1.0 million loan for a business located in middle-income distressed and underserved census tracts to provide ongoing operations that helped to retain jobs.

INVESTMENT TEST

The Investment Test is rated Substantial Noncompliance. First-Citizens Bank has few, if any, qualified investments in West Virginia. The bank exhibits very poor responsiveness to credit and community development needs through investments and does not use innovative and/or complex investments to support community development initiatives.

Investment and Grant Activity

The bank has few, if any, qualified investments in the assessment area. Qualified investments total \$200 or less than 0.1 percent of bank-wide qualified investments. This performance represents a decline from the prior performance evaluation's qualified investments of \$7,000. Qualified investments are comprised solely of one donation for economic development.

SERVICE TEST

The Service Test is rated High Satisfactory. First-Citizens Bank's delivery systems are accessible to essentially all portions of the WV Non-MSA assessment area. The institution's opening and closing of branches has not adversely affected the accessibility of delivery systems. Services and business hours do not vary in a way that inconveniences certain portions of the assessment area, particularly low- or moderate-income individuals. The bank is a leader in providing community development services.

Accessibility of Delivery Systems

Delivery systems are accessible to essentially all portions of the WV Non-MSA assessment areas. The conclusions on accessibility of delivery systems for the WV Non-MSA assessment area are consistent with the overall institution. The WV Non-MSA assessment includes four branches and six ATMs. Two branches and two ATMs are located in middle-income distressed and/or underserved census tracts. The assessment area does not include any low- or moderate-income tracts.

Changes in Branch Locations

To the extent changes have been made, the institution's opening and closing of branches has not adversely affected the accessibility of delivery systems, particularly to low- and moderate-income individuals. The WV Non-MSA assessment area has no low- or moderate-income tracts. Since the previous evaluation, the bank has not opened or acquired any branches but did close one branch in a middle-income tract.

Community Development Services

First-Citizens Bank is a leader in providing community development services in the assessment area. Bank employees and Board members provided 12 instances for 418 hours of community development service. These services equate to 1.0 instance and 34.8 hours of community development service per branch per year. This performance accounts for 1.6 percent of the bank-wide community development services by number of hours. The level of community development services is above the percentage of branches within the assessment area at 0.8 percent bank-wide. The bank engaged in 9 instances of community development service at the previous evaluation. The following are examples of community development services provided.

- An employee serves on the Board for an economic development corporation, whose mission is to provide a variety of services to new and existing businesses, including business financing, general and technical assistance, and site selection.
- An employee serves on the Board of a non-profit organization, whose mission is to provide employment and vocational services to individuals presenting with a variety of physical, cognitive, and/or psychiatric disabilities.
- An employee serves on the Board of a non-profit organization, whose mission is to provide long-term assistance to individuals and businesses who do not have adequate resources for basic needs as a result of a recent flood disaster. The organization provides coordinated

leadership and management of long-term recovery efforts not met by relief systems such as FEMA, the American Red Cross, and the SBA.

MARYLAND

CRA RATING FOR MARYLAND: SATISFACTORY

The Lending Test is rated: High Satisfactory

The Investment Test is rated: High Satisfactory

The Service Test is rated: Low Satisfactory

DESCRIPTION OF INSTITUTION'S OPERATIONS IN MARYLAND

The evaluation of the Maryland performance considered the operations of First-Citizens Bank in one assessment area. The bank delineated Anne Arundel and Howard Counties, which are two of the seven counties that comprise the Baltimore-Columbia-Towson, MD MSA as the Baltimore MSA assessment area. There have been no changes to the assessment area since the last evaluation. The bank operates two or 0.4 percent of its branch offices in Maryland. Maryland accounts for 0.4 percent of bank-wide loans by dollar volume, 0.3 percent of bank-wide lending by number of loans, and 0.2 percent of the bank-wide deposits. Overall, First-Citizens Bank ranks 59th in the state with a deposit market share of less than 0.1 percent. Competitor institutions in the assessment areas include Bank of America, NA; Manufacturers and Traders Trust Company; and Truist Bank. Together, the three competitor institutions account for 48.2 percent of the market share.

Economic and Demographic Data

The assessment area consists of 160 census tracts, including no low-income tracts, 17 moderate-income tracts, 51 middle-income tracts, and 89 upper-income tracts. Three tracts have no income designation. The following table presents demographic information from the 2015 ACS Census and 2020 D&B data.

Demographic Information for the Baltimore MSA Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	160	0.0	10.6	31.9	55.6	1.9
Population by Geography	859,395	0.0	9.1	33.8	56.5	0.6
Housing Units by Geography	331,035	0.0	9.1	35.5	55.5	0.0
Owner-Occupied Units by Geography	230,050	0.0	5.5	32.3	62.2	0.0
Occupied Rental Units by Geography	81,841	0.0	18.7	43.5	37.8	0.0
Vacant Units by Geography	19,144	0.0	11.0	39.0	50.0	0.0
Businesses by Geography	89,651	0.0	5.0	33.2	61.7	0.1
Farms by Geography	1,836	0.0	6.2	27.9	66.0	0.0
Family Distribution by Income Level	222,101	13.4	13.8	19.3	53.5	0.0
Household Distribution by Income Level	311,891	14.6	12.2	16.7	56.5	0.0
Median Family Income - Baltimore-Columbia-Towson, MD MSA		\$87,788	Median Housing Value			\$374,234
			Median Gross Rent			\$1,533
			Families Below Poverty Level			3.8%

*Source: 2015 ACS and 2020 D&B Data
Due to rounding, totals may not equal 100.0 percent.
(* The NA category consists of geographies that have not been assigned an income classification.*

The Geographic Distribution criterion compares home mortgage loans to the distribution of owner-occupied housing units and compares small business loans to the percentage of businesses located in low-, moderate-, middle-, and upper-income tracts. The 2015 ACS data shows a majority of owner-occupied housing units and businesses are within the upper-income tracts, indicating most of the lending opportunities will be in these geographies. The middle-income tracts contain a high level of owner-occupied housing units and businesses, while significantly fewer opportunities are indicated in the moderate-income tracts.

The FFIEC updated Baltimore-Columbia-Towson, MD MSA MFIs were used to analyze home mortgage loans under the Borrower Profile criterion. The following table presents each income category.

Baltimore MSA – Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
2019 (\$101,000)	<\$50,500	\$50,500 to <\$80,800	\$80,800 to <\$121,200	≥\$121,200
2020 (\$104,000)	<\$52,000	\$52,000 to <\$83,200	\$83,200 to <\$124,800	≥\$124,800
2021 (\$105,100)	<\$52,550	\$52,550 to <\$84,080	\$84,080 to <\$126,120	≥\$126,120

Source: FFIEC

The analysis of home mortgage lending by borrower income uses families by income level as a comparison to bank performance. The median housing value is over \$374,000, and prices are

continuing to rise due to the current economic conditions, which can potentially make housing increasingly unaffordable for low-income individuals. Therefore, lending opportunities to low-income families may be limited.

The analysis of small business loans under the Borrower Profile criterion compares the distribution of small business lending by gross annual revenue. The D&B 2020 distribution of businesses based on gross annual revenues is listed below.

- 87.6 percent reported \$1 million or less;
- 4.5 percent reported more than \$1 million; and
- 7.9 percent did not report revenues.

In 2020, the top industries were Education and Health Services; Professional and Business Services; and, Government. Additionally, approximately 90.3 percent of businesses operate with nine or fewer employees. The top employers were Fort George G. Meade; Johns Hopkins University; John Hopkins Health System; University of Maryland Medical System; and Aberdeen Proving Ground.

The 2020 unemployment rates increased significantly due to the COVID-19 pandemic. The 2021 unemployment rates dropped slightly in each of the assessment area counties but remain well above the pre-pandemic levels. However, unemployment rates in each county were below both state and national averages over the evaluation period.

Unemployment Rates			
Area	2019	2020	2021
	%	%	%
Anne Arundel County	2.9	5.8	4.8
Howard County	2.6	5.1	4.4
Maryland	3.4	6.7	5.8
National Average	3.7	8.1	5.2
<i>Source: Bureau of Labor Statistics</i>			

Competition

The assessment area is moderately competitive. According to the FDIC Deposit Market Share data as of June 30, 2021, 27 FDIC-insured institutions operate 100 branches within the assessment area. Of these institutions, First-Citizens Bank ranked 19th with a market share of 0.3 percent. Competitor institutions in the assessment areas include Truist Bank; Bank of America, NA; and Manufacturers and Traders Trust Company. Together, the three competitor institutions account for 54.0 percent of the market share.

There is a high level of competition for home mortgage loans among banks, credit unions, and non-depository mortgage lenders. Aggregate data for 2020 shows 618 lenders reported 106,912 residential mortgage loans originated or purchased. First-Citizens Bank ranked 299th with a market share of less than 0.1 percent. The five dominant home mortgage lenders accounted for 22.6 percent of total market share by number.

In addition, there is a high level of competition for business loans within the assessment area. Aggregate data for 2020 shows 185 lenders reported 27,454 small business loans originated or purchased in the assessment area. Overall, First-Citizens Bank ranked 24th with 0.6 percent market share by number of loans and 12th with a 1.7 percent market share by dollar volume. The five dominant small business lenders accounted for 49.9 percent of the total market share by number.

Community Contact

As part of the CRA evaluation process, examiners contact third parties active in the assessment area to assist in identifying the credit and community development needs. This information helps determine whether local financial institutions are responsive to these needs. It also shows what credit and community development opportunities are available. Examiners referenced one recent community contact within the Baltimore MSA assessment area.

The community contact is a representative from a local public agency, which provides public housing and federal rent subsidies for low- and moderate-income families. The contact indicated that affordable housing is a primary need. The contact also stated that several challenges limit the availability of affordable housing, which include: high and competitive rental rates, low vacancy, limited space to construct new properties, and the low housing stock. Construction has increased in the area; however, this development has primarily focused on single-family homes that are generally affordable for middle- and high-income individuals. The contact stated there is a need for more involvement from financial institutions, specifically relating to partnerships with charitable programs in the area in order to get funding for housing projects in the county.

Credit and Community Development Needs and Opportunities

Considering information from the community contact and demographic and economic data, examiners determined that the primary need in the assessment area is affordable housing. The contact stated the demand for affordable housing is high, while the area is experiencing a low housing stock. In addition, based on demographics, small business lending represents a need in the assessment area. Small businesses represent a significant portion of the area, with 87.6 percent of businesses having gross annual revenues of \$1 million or less, and 90.3 percent having nine or fewer employees.

SCOPE OF EVALUATION – MARYLAND

The evaluation of Maryland considered operations in the Baltimore MSA assessment area. Since Maryland only includes one assessment area, the performance presented is only from the Baltimore MSA assessment area. Small business loans constitute the primary loan type in the assessment area, comprising 84.9 percent of assessment area loans by dollar volume and 92.3 percent of assessment area lending by number of loans. Therefore, small business loan performance received substantial weight in the overall analysis, conclusions, and ratings. Home mortgage loans were reviewed in 2021 only given the limited volume of loans originated in 2019 and 2020. Small farm loans were not included in the analysis as no small farm loans were originated over the three year review period.

CONCLUSIONS ON PERFORMANCE CRITERIA IN MARYLAND

LENDING TEST

The Lending Test rating for Maryland is High Satisfactory. Lending levels in the Baltimore MSA assessment area reflect adequate responsiveness to assessment area credit needs. The geographic distribution reflects good penetration throughout the assessment area, and the borrower profile reflects adequate distribution among businesses of different sizes and borrowers of different income levels. The institution uses innovative and/or flexible lending practices and originated a relatively high level of community development loans.

Lending Activity

Lending levels reflect adequate responsiveness to the assessment area’s credit needs. The tables presented below detail the number and dollar volume of 2020 small business loans in this assessment area. Home mortgage loans were only reviewed for 2021.

Geographic Distribution

The geographic distribution of loans is good based upon the small business lending given the limited home mortgage lending based upon the small business performance as home mortgage lending is limited. There are no low-income tracts in the assessment area; as such, the analysis focused on lending performance in moderate-income tracts.

Small Business Loans

The geographic distribution of small business loans reflects good penetration throughout the assessment area. Lending in moderate-income tracts was above demographic and aggregate lending data.

Geographic Distribution of Small Business Loans Baltimore MSA Assessment Area						
Tract Income Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
Moderate	5.0	4.3	11	6.2	2,127	6.9
Middle	33.2	32.4	53	30.1	8,540	27.6
Upper	61.7	63.2	112	63.6	20,273	65.5
Not Available	0.1	0.1	0	0.0	0	0.0
Totals	100.0	100.0	176	100.0	30,940	100.0

Source: 2015 ACS; 2020 CRA Data; and, 2020 CRA Aggregate Data.
Due to rounding, totals may not equal 100.0 percent.

Home Mortgage Loans

The bank originated 16 home mortgage loans in the assessment area in 2021. None of the loans were in low- or moderate-income tracts.

Borrower Profile

The distribution of small business loans to businesses of different sizes and home mortgage loans to borrowers of different incomes is adequate based upon the small business lending given the limited home mortgage lending.

Small Business Loans

Lending to businesses with gross annual revenues of \$1 million or less is adequate. In 2020, lending performance was significantly lower than both demographic and aggregate data. However, as reflected in the table below, a significant percentage of loans did not have revenue reported. The significant level of loans without revenue available impacts the overall analysis of loans to small businesses. As a result, an analysis of loans without revenue available by size of the loan was conducted. The analysis determined that 35 or 63.6 percent of loans without revenue had origination amounts of \$100,000 or less, indicating assistance to small businesses.

Distribution of Small Business Loans by Gross Annual Revenue Category Baltimore MSA Assessment Area						
Gross Revenue Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
<=\$1,000,000	87.6	44.5	42	23.9	4,695	15.2
>\$1,000,000	4.5	--	79	44.9	17,866	57.7
Revenue Not Available	7.9	--	55	31.3	8,379	27.1
Totals	100.0	100.0	176	100.0	30,940	100.0
<small>Source: 2020 D&B Data; 2020 CRA Data; and, 2020 CRA Aggregate Data. "--" data not available. Due to rounding, totals may not equal 100.0 percent.</small>						

Home Mortgage Loans

The bank originated 16 home mortgage loans in the assessment area in 2021. Of those, 12.5 percent were originated to low-income borrowers which is just below the level of low-income families at 13.4 percent. The bank originated 6.3 percent of the home mortgage loans to moderate-income borrowers, which is well below the demographics at 13.8 percent.

Community Development Loans

First-Citizens Bank originated a relatively high level of community development loans in Maryland. During this evaluation period, the bank originated four community development loans totaling \$5.0 million. This represents 0.7 percent by number and 0.6 percent by dollar volume of total bank-wide community development loans. One loan totaling \$2.0 million was originated outside the assessment area but within the broader statewide area. Since the bank has been responsive to community development needs and opportunities within its assessment area, the loan is included. Regarding the community development purpose, one loan supports community services, and three loans support economic development.

Examples of community development loans follow.

- \$2.6 million loan to a small business to purchase property and expand resulting in new jobs, including low- and moderate-income individuals.
- \$2.0 million loan to a non-profit organization to promote health and wellness in a low-income community where a majority of the revenue comes from government programs.

INVESTMENT TEST

The Investment Test is rated High Satisfactory. First-Citizens Bank has a significant level of qualified investments in Maryland. The bank exhibits good responsiveness to credit and community development needs and occasionally uses innovative and/or complex investments to support community development initiatives.

Investment and Grant Activity

The bank has a significant level of qualified investments. Qualified investments total \$5.9 million or 0.9 percent of bank-wide qualified investments. Investments consist of a nationwide GNMA MBS that supports affordable housing projects totaling \$4.6 million; one prior period GNMA MBS that supports affordable housing projects totaling \$1.3 million; and, seven donation or grant contributions totaling \$4,900. Of these contributions, \$3,400 benefited community services and \$1,500 benefited economic development. Provided below are examples of donations that benefited the assessment area.

- \$3,000 to a non-profit organization that provides community services to low- and moderate-income individuals and families. The organization's core program areas are food assistance, energy and weatherization assistance, housing assistance, and early childhood education.
- \$1,500 to an organization that provides economic development opportunities, including low-cost financing options and economic information, targeted to small businesses.

SERVICE TEST

The Service Test is rated Low Satisfactory. First-Citizens Bank's delivery systems are reasonably accessible to essentially all portions of the Baltimore MSA assessment area. The institution did not open or close any branches in the assessment area during the evaluation period; thus, no adverse impact is noted to the accessibility of its delivery systems. Services and business hours do not vary in a way that inconveniences certain portions of the assessment area, particularly moderate-income geographies, or low- and moderate-income individuals. The bank provided an adequate level of community development services.

Accessibility of Delivery Systems

Delivery systems are reasonably accessible to essentially all portions of the Baltimore MSA assessment area. The conclusions regarding the accessibility of delivery systems for the Maryland rated area are less favorable than the institution overall. The bank operates two full-service branches in Maryland, and both branches are located in upper-income tracts. However, both branches are

within close proximity to moderate-income tracts in order to provide bank services. The bank also operates one ATM in the assessment area located in an upper-income tract. The branch distribution by geography income level is shown in the following table.

Maryland - Branch Distribution by Geography Income Level						
Tract Income Level	Census Tracts		Population		Branches	
	#	%	#	%	#	%
Moderate	17	10.6	77,783	9.1	0	0.0
Middle	51	31.9	290,422	33.8	0	0.0
Upper	89	55.6	485,972	56.5	2	100.0
NA	3	1.9	5,218	0.6	0	0.0
Total	160	100.0	859,395	100.0	2	100.0
<i>Source: 2015 ACS Data and Bank Data</i>						

Community Development Services

First-Citizens Bank provided an adequate level of community development services in the assessment area. Bank employees and Board members provided five instances for 35 hours of community development service. These services equate to 0.8 instances and 5.8 hours of community development service per branch per year. This performance accounts for 0.1 percent of the bank-wide community development services by number of hours. The level of community development services is below the percentage of branches within the assessment area at 0.4 percent bank-wide. The bank engaged in three instances of community development service at the previous evaluation. The following are examples of community development services provided.

- An employee serves on the Board and as Chairman of a non-profit organization, whose mission is to provide care, opportunity, and guidance for people with developmental disabilities in the assessment area through residential and support programs.
- An employee teaches financial literacy courses to clients of a community action agency, whose mission is to diminish poverty, enable self-sufficiency, and advocate for low-income families and individuals. Agency programs include food assistance, energy and weatherization assistance, housing assistance, and early childhood education.
- An employee conducted a presentation regarding credit and SBA program loans to small business owners on behalf of a county-level economic development authority.

CHARLOTTE-CONCORD-GASTONIA NC-SC MULTI-STATE MSA

CRA RATING FOR CHARLOTTE-CONCORD-GASTONIA, NC-SC MULTISTATE MSA: SATISFACTORY

The Lending Test is rated: High Satisfactory

The Investment Test is rated: High Satisfactory

The Service Test is rated: High Satisfactory

DESCRIPTION OF INSTITUTION'S OPERATIONS IN CHARLOTTE-CONCORD-GASTONIA NC-SC MULTI-STATE MSA

The Charlotte-Concord-Gastonia NC-SC Multi-state MSA includes 11 counties; however, the bank has delineated 8 counties (Cabarrus, Iredell, Lincoln, Mecklenburg, and Union in North Carolina and Chester, Lancaster, and York in South Carolina) as the Charlotte MSA assessment area. There have been no changes to this assessment area since the prior evaluation. The bank operates 41 or 7.8 percent of bank-wide branch offices in the Charlotte MSA assessment area. The assessment area represents 10.4 percent of bank-wide loans and 8.6 percent of deposits.

Economic and Demographic Data

The assessment area consists of 444 tracts, including 39 low-income tracts, 105 moderate-income tracts, 137 middle-income tracts, and 158 upper-income tracts. Five tracts have no income designation. The following table presents demographic information from the 2015 ACS Census and 2020 D&B data.

Demographic Information for the Charlotte MSA Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	444	8.8	23.6	30.9	35.6	1.1
Population by Geography	1,990,624	7.1	22.0	32.7	37.8	0.4
Housing Units by Geography	812,125	7.4	22.5	32.9	37.1	0.1
Owner-Occupied Units by Geography	485,812	3.1	17.7	35.7	43.4	0.0
Occupied Rental Units by Geography	254,929	14.3	30.1	27.8	27.5	0.2
Vacant Units by Geography	71,384	11.7	28.0	31.2	29.0	0.2
Businesses by Geography	198,797	6.4	17.0	27.3	48.5	0.7
Farms by Geography	4,593	3.8	17.3	42.6	36.1	0.2
Family Distribution by Income Level	500,118	21.6	16.5	18.5	43.4	0.0
Household Distribution by Income Level	740,741	22.6	15.9	17.4	44.2	0.0
Median Family Income - Charlotte-Concord-Gastonia, NC-SC MSA		\$64,187	Median Housing Value			\$193,754
			Median Gross Rent			\$909
			Families Below Poverty Level			11.0%

Source: 2015 ACS and 2020 D&B Data
Due to rounding, totals may not equal 100.0 percent.
 (*) The NA category consists of geographies that have not been assigned an income classification.

The Geographic Distribution criterion compares home mortgage loans to the distribution of owner-occupied housing units and compares small business and small farm loans to the percentage of businesses and farms located in low-, moderate-, middle-, and upper-income tracts. The 2015 ACS data shows a large majority of owner-occupied housing units, businesses, and farms are within the middle- and upper-income tracts, indicating most of the lending opportunities will be in these geographies. The moderate-income tracts contain a fair level of owner-occupied housing units and businesses, while significantly fewer opportunities are indicated in the low-income tracts.

The FFIEC updated, Charlotte-Concord-Gastonia NC-SC Multi-state MSA MFIs were used to analyze home mortgage loans under the Borrower Profile criterion. The following table presents each income category.

Charlotte MSA - Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
2019 (\$70,700)	<\$35,350	\$35,350 to <\$56,560	\$56,560 to <\$84,840	≥\$84,840
2020 (\$74,200)	<\$37,100	\$37,100 to <\$59,360	\$59,360 to <\$89,040	≥\$89,040
2021 (\$77,300)	<\$38,650	\$38,650 to <\$61,840	\$61,840 to <\$92,760	≥\$92,760

Source: FFIEC

The analysis of home mortgage lending by borrower income uses families by income level as a comparison to bank performance. The median housing value is \$193,754 and prices are continuing

to rise due to the current economic conditions, which can potentially make housing increasingly unaffordable for low-income individuals. Therefore, lending opportunities to low-income families may be limited.

The analysis of small business and small farm loans under the Borrower Profile criterion compares the distribution of small business lending by gross annual revenue. The D&B 2020 distribution of businesses based on gross annual revenues is listed below.

Distribution of Small Business and Farms by Gross Annual Revenue Category Charlotte MSA Assessment Area		
Gross Revenue Level	% of Businesses	% of Farms
<=\$1,000,000	87.8	96.0
>\$1,000,000	3.9	2.4
Revenue Not Available	8.3	1.6
Totals	100.0	100.0
<i>Source: 2020 D&B Data.</i>		

In 2020, the top industries in the assessment area were Services; Retail Trade; Finance, Insurance, and Real Estate; and Construction. A total of 91.0 percent of businesses in the assessment area had fewer than 10 employees. Top employers in the assessment area during the evaluation period included Atrium Health, Wells Fargo Bank, NA, Walmart, Bank of America, and Novant Health, all with over 1000 employees.

Unemployment rates increased sharply in 2020 due to the COVID-19 pandemic. Unemployment rates dropped significantly in 2021, and rates in the assessment area are consistent or below state and national averages, except Chester County, SC.

Unemployment Rates			
Area	2019	2020	2021
	%	%	%
Cabarrus County, NC	3.6	6.8	4.4
Iredell County, NC	3.6	7.1	4.6
Lincoln County, NC	3.5	6.4	4.1
Mecklenburg County, NC	3.6	7.5	4.9
Union County, NC	3.5	5.8	3.9
Chester County, SC	4.1	8.8	6.0
Lancaster County, SC	3.3	6.6	4.4
York County, SC	2.7	5.8	3.7
North Carolina	3.8	7.2	4.8
South Carolina	2.8	6.0	4.0
National Average	3.7	8.1	5.2
<i>Source: Bureau of Labor Statistics</i>			

Competition

The assessment area is highly competitive. According to the FDIC Deposit Market Share data as of June 30, 2021, 47 FDIC-insured institutions operate 515 branches within the assessment area. Of these institutions, First-Citizens Bank ranked 5th with a market share of 1.3 percent. Competitor institutions in the assessment area include Bank of America, NA.; Truist Bank; and, Wells Fargo, Bank, NA. Together, the three competitor institutions account for 91.9 percent of the market share.

There is a high level of competition for small business loans within the assessment area. Aggregate data for 2020 shows 249 lenders reported 63,756 small business loans originated or purchased in the assessment area. Overall, First-Citizens Bank ranked 6th with a 4.9 percent market share by number of loans and 2nd with a 10.3 percent market share by dollar volume. The five dominant small business lenders accounted for 52.2 percent of the total market share by number.

There is a very high level of competition for home mortgage loans among banks, credit unions, and non-depository mortgage lenders. Aggregate data for 2020 shows 840 lenders reported 157,714 residential mortgage loans originated or purchased in the assessment area. First-Citizens Bank ranked 14th with a market share of 1.6 percent. The five dominant home mortgage lenders accounted for 28.5 percent of total market share by number.

There is a moderate level of competition for small farm loans within the assessment area. Aggregate data for 2020 shows 28 lenders reported 286 small farm loans originated or purchased in the assessment area. Overall, First-Citizens Bank ranked 5th with a 7.3 percent market share by number of loans. The five dominant small farm lenders accounted for 71.0 percent of the total market share by number.

Community Contact

As part of the evaluation process, examiners contact third parties active in the assessment area to assist in identifying the credit needs of the assessment area. This information helps identify credit and community development needs and whether local financial institutions are responsive to those opportunities. One community contact from a community revitalization and affordable housing organization was referenced within the Charlotte MSA assessment area. The contact noted that assessment area needs include affordable housing, closing-cost assistance, and homeownership counseling and that financial institutions could contribute directly to these needs.

Credit and Community Development Needs and Opportunities

Examiners determined that small business and home mortgage loans represent primary credit needs for the assessment area. In particular, closing-cost assistance, homeownership counseling, and affordable home mortgage loans for low- and moderate-income families are needed based on the community contact and demographic data. In addition, small business loans are needed based on the high percentage of businesses with four or fewer employees and a large majority of businesses reporting gross annual revenues of \$1 million or less.

SCOPE OF EVALUATION – CHARLOTTE-CONCORD-GASTONIA, NC-SC MULTI-STATE MSA

Examiners conducted a full-scope review of the bank's performance in the Charlotte MSA assessment area. Home mortgage, small business, and small farm loans were reviewed. Home mortgage and small business loans are comparable by number of loans originated in the assessment area at 50.1 percent and 49.0 percent, respectively. Therefore, the two loan products were given equal weight in the overall analysis, conclusions, and ratings assigned. Small farm loans carry little weight as they only account for 0.9 of total loans originated in the Charlotte MSA assessment area.

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE CHARLOTTE- CONCORD-GASTONIA, NC-SC MULTI-STATE MSA

LENDING TEST

The Lending Test is rated High Satisfactory. Lending levels in the Charlotte MSA assessment area reflect good responsiveness to assessment area credit needs. The geographic distribution reflects good penetration throughout the assessment area, and the borrower profile reflects good distribution of loans among borrowers of different income levels and businesses and farms of different sizes. The institution uses innovative and/or flexible lending practices and originated a relatively high level of community development loans.

Lending Activity

Lending levels reflect good responsiveness to the assessment area's credit needs. The tables presented below detail the number and dollar volume of 2020 home mortgage, small business, and small farm loans in this assessment area.

Geographic Distribution

The geographic distribution of loans is good.

Home Mortgage Loans

The geographic distribution of home mortgage loans is good. Lending in low-income tracts was consistent with demographic and aggregate data. Lending in moderate-income tracts was below demographic data but consistent with aggregate lending data.

Geographic Distribution of Home Mortgage Loans Charlotte MSA Assessment Area						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low	3.1	2.1	53	2.1	7,932	1.6
Moderate	17.7	12.0	328	12.8	45,931	9.0
Middle	35.7	29.5	698	27.3	112,791	22.0
Upper	43.4	56.3	1,475	57.7	344,940	67.4
Not Available	0.0	0.0	1	0.0	195	0.0
Totals	100.0	100.0	2,555	100.0	511,788	100.0

*Source: 2015 ACS; 2020 HMDA Data; and, 2020 HMDA Aggregate Data.
Due to rounding, totals may not equal 100.0 percent.*

Small Business Loans

The geographic distribution of small business loans reflects good penetration throughout the assessment area. Lending in both low- and moderate-income tracts was above demographic and aggregate data.

Geographic Distribution of Small Business Loans Charlotte MSA Assessment Area						
Tract Income Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
Low	6.4	6.4	238	6.8	29,514	7.3
Moderate	17.0	15.7	674	19.1	75,549	18.7
Middle	27.3	27.9	1,066	30.2	124,792	30.9
Upper	48.5	49.4	1,522	43.2	168,302	41.7
Not Available	0.7	0.6	24	0.7	5,686	1.4
Totals	100.0	100.0	3,524	100.0	403,843	100.0

*Source: 2015 ACS; 2020 CRA Data; and, 2020 CRA Aggregate Data.
Due to rounding, totals may not equal 100.0 percent.*

Small Farm Loans

The geographic distribution of small farm loans reflects excellent penetration throughout the assessment area. The bank did not originate any small farm loans in low-income tracts; however, only 3.8 percent of farms are located in low-income tracts, and aggregate lending was low at 1.8 percent. In 2019, the bank originated 2.9 percent of loans in low-income tracts, which was comparable to aggregate data and below demographic data. Lending in moderate-income tracts significantly exceeded both demographic and aggregate lending data.

Geographic Distribution of Small Farm Loans Charlotte MSA Assessment Area						
Tract Income Level	% of Farms	Aggregate Performance % of #	#	%	\$(000s)	%
Low	3.8	1.8	0	0.0	0	0.0
Moderate	17.3	20.1	11	33.3	796	18.9
Middle	42.6	52.7	18	54.5	2,676	63.5
Upper	36.1	25.4	4	12.1	739	17.5
Not Available	0.2	0.0	0	0.0	0	0.0
Totals	100.0	100.0	33	100.0	4,211	100.0

Source: 2015 ACS; 2020 CRA Data; and, 2020 CRA Aggregate Data.
Due to rounding, totals may not equal 100.0 percent.

Borrower Profile

The distribution of home mortgage loans to borrowers of different incomes and small business and small farm loans to businesses and farms of different sizes is good.

Home Mortgage Loans

The distribution of home mortgage loans reflects adequate penetration among borrowers of different incomes. Lending to low-income borrowers was significantly below demographic data; however, performance was comparable to aggregate data. Lending to moderate-income borrowers was below demographic data but consistent with aggregate data.

Distribution of Home Mortgage Loans by Borrower Income Level Charlotte MSA Assessment Area						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low	21.6	3.8	100	3.9	9,958	1.9
Moderate	16.5	12.5	291	11.4	42,341	8.3
Middle	18.6	18.3	378	14.8	53,075	10.4
Upper	43.4	49.6	1,730	67.7	393,969	77.0
Not Available	0.0	15.8	56	2.2	12,444	2.4
Totals	100.0	100.0	2,555	100.0	511,788	100.0

Source: 2015 ACS; 2020 HMDA Data; and, 2020 HMDA Aggregate Data.
Due to rounding, totals may not equal 100.0 percent.

Small Business Loans

The distribution of small business loans reflects good penetration to businesses with gross annual revenues of \$1 million or less. Lending to small businesses was below demographic data but within range of aggregate lending data. Performance was stronger in 2021, increasing to 52.8 percent.

Distribution of Small Business Loans by Gross Annual Revenue Category Charlotte MSA Assessment Area						
Gross Revenue Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
<=\$1,000,000	87.7	41.2	1,253	35.6	90,237	22.3
>\$1,000,000	3.9	--	908	25.8	168,470	41.7
Revenue Not Available	8.3	--	1,363	38.7	145,136	35.9
Totals	100.0	100.0	3,524	100.0	403,843	100.0

Source: 2020 D&B Data; 2020 CRA Data; and, 2020 CRA Aggregate Data.
 "--" data not available.
 Due to rounding, totals may not equal 100.0 percent.

Small Farm Loans

The distribution of small farm loans reflects excellent penetration among farms of different sizes. The bank's performance, while significantly lower than demographics, was significantly above aggregate lending data.

Distribution of Small Farm Loans by Gross Annual Revenue Category Charlotte MSA Assessment Area						
Gross Revenue Level	% of Farms	Aggregate Performance % of #	#	%	\$(000s)	%
<=\$1,000,000	96.0	37.8	19	57.6	1,790	42.5
>\$1,000,000	2.4	--	13	39.4	2,416	57.4
Revenue Not Available	1.6	--	1	3.0	5	0.1
Totals	100.0	100.0	33	100.0	4,211	100.0

Source: 2020 D&B Data; 2020 CRA Data; and, 2020 CRA Aggregate Data.
 "--" data not available.

Community Development Loans

First-Citizens Bank originated a relatively high level of community development loans in the Charlotte MSA assessment area. During this evaluation period, the bank originated 32 community development loans totaling \$39.8 million. This represents 5.8 percent by number and 4.6 percent by dollar volume of total bank-wide community development loans. Three loans totaling \$2.3 million were originated outside the assessment area but within the broader statewide area. Since the bank was responsive to community development needs and opportunities within its assessment area, these loans are included. Regarding the community development purpose, 3 loans support affordable housing, 21 loans support community services, and 8 loans supports revitalization and/or stabilization. Examples of community development loans follow.

- \$9.7 million to a school district located in a moderate-income census tract for capital improvements where a majority of students receive free or reduced price lunches.
- \$8.3 million to a school district located in a moderate-income census tract for capital

improvements where a majority of students receive free or reduced price lunches

INVESTMENT TEST

The Investment Test is rated High Satisfactory. First-Citizens Bank has a significant level of qualified investments in the assessment area. The bank exhibits good responsiveness to credit and community development needs and occasionally uses innovative and/or complex investments to support community development initiatives.

Investment and Grant Activity

The bank has a significant level of qualified investments. Qualified investments total \$25.1 million or 3.9 percent of bank-wide qualified investments. Investments include two regionally-based investment funds totaling \$3.0 million that benefited affordable housing projects in the assessment area; one investment fund totaling \$6.1 million that benefited affordable housing projects in the assessment area; and, two GNMA MBS totaling \$11.5 million that benefited affordable housing projects in the assessment area. Additionally, the bank made 139 donations totaling \$128,736. Of these donations, \$103,836 benefited community services, \$4,500 benefited affordable housing, and \$20,400 benefited economic development. Additionally, qualified investments include a prior period equity investment of \$4.3 million that benefited affordable housing. Provided below are examples of donations that benefited the assessment area.

- \$10,000 to a non-profit organization that provides economic development opportunities for and economic support to small businesses.
- \$6,000 to a non-profit organization that enhances business opportunities for minority-owned companies by providing support through developing mutually beneficial networking opportunities with corporate members and promoting minority business development.

SERVICE TEST

The Service Test is rated High Satisfactory. First-Citizens Bank's delivery systems are accessible to essentially all portions of the Charlotte MSA assessment area. The institution's opening and closing of branches has not adversely affected the accessibility of delivery systems. Services and business hours do not vary in a way that inconveniences certain portions of the assessment area, particularly low- and moderate-income geographies, or individuals. The bank provided a relatively high level of community development services.

Accessibility of Delivery Systems

Delivery systems are accessible to essentially all portions of the assessment area. The conclusions regarding the accessibility of delivery systems for the assessment area are consistent with the institution overall. The level of branches within the low-income tracts is just below the percentage of population in those tracts, while branching in moderate-income tracts mirrors the population level. Additionally, the bank operates 4 of the 42 ATMs (9.5 percent) in the assessment area in low-income tracts and 12 ATMs (28.6 percent) in moderate-income tracts.

Branch Distribution by Geography Income Level Charlotte MSA Assessment Area						
Tract Income Level	Census Tracts		Population		Branches	
	#	%	#	%	#	%
Low	39	8.8	142,079	7.1	2	4.8
Moderate	105	23.6	437,296	22.0	9	22.0
Middle	137	30.9	650,669	32.7	12	29.3
Upper	158	35.6	753,405	37.8	18	43.9
NA	5	1.1	7,175	0.4	0	0.0
Total	444	100.0	1,990,624	100.0	41	100.0
<i>Source: 2015 ACS Data and Bank Data</i>						

Changes in Branch Locations

To the extent changes have been made, the institution’s opening and closing of branches has not adversely affected the accessibility of delivery systems, particularly in low- and moderate-income geographies and/or to low- and moderate-income individuals. Since the previous evaluation, the bank has not opened or acquired any branches but did close four branches throughout the Charlotte MSA assessment area. The majority of branch closures occurred in middle- and upper-income tracts, with two branch closures in middle-income tracts and one branch closure in an upper-income tract. The bank did close one branch in a moderate-income tract. However, the bank operates a branch in a moderate-income tract approximately 1.8 miles from the closed branch. This branch can reasonably serve the low- and moderate-income geographies and individuals affected by the moderate-income branch closure. As shown in the table below, the net effect was a decrease of one branch in moderate-income tracts, two in middle-income tracts, and one in an upper-income tracts.

Net Distribution of Branch Openings/Closings						
Rated Area	# of Branch Openings	# of Branch Closings	Income Level of Census Tract (+/-)			
			Low	Moderate	Middle	Upper
Charlotte MSA	0	4	0	-1	-2	-1
<i>Source: Bank Data</i>						

Community Development Services

First-Citizens Bank provided a relatively high level of community development services in the assessment area. Bank employees and Board members provided 116 instances for 2,222 hours of community development service. These services equate to 1.0 instance and 18.1 hours of community development service per branch per year. This performance accounts for 8.5 percent of the bank-wide community development services by number of hours. The level of community development services is above the percentage of branches within the assessment area at 7.8 percent bank-wide. The bank engaged in 77 instances of community development service at the previous evaluation. The following are examples of community development services provided.

- An employee serves on the Board and as Secretary for a non-profit organization, whose mission is to empower families to achieve life-long self-sufficiency through shelter, housing, supportive services, and advocacy.

- An employee serves on the Finance Committee of the local chapter of a national non-profit organization, whose mission is to enable all young people, especially those most in need, to reach their full potential as productive, caring, and responsible citizens.
- An employee serves as an Executive Board member for a regional development corporation, whose goals are to facilitate growth, expansion, and diversification of the local economy by providing financial assistance to new and existing businesses by offering a variety of loan programs, including the SBA 504 program, a revolving loan fund program, and an intermediary relending program.

MYRTLE BEACH-CONWAY-NORTH MYRTLE BEACH SC-NC, MULTI-STATE MSA

CRA RATING FOR MYRTLE BEACH-CONWAY-NORTH MYRTLE BEACH, SC-NC MULTI STATE MSA: SATISFACTORY

The Lending Test is rated: Low Satisfactory

The Investment Test is rated: High Satisfactory

The Service Test is rated: High Satisfactory

DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE MYRTLE BEACH-CONWAY-NORTH MYRTLE BEACH SC-NC, MULTI-STATE MSA

The Myrtle Beach-Conway-North Myrtle Beach, SC-NC Multi-state MSA includes two counties (Brunswick, NC and Horry, SC), and the bank included both counties in the Myrtle Beach MSA assessment area. There have been no changes to this assessment area since the prior evaluation. The bank operates 10 or 1.9 percent of its branch offices in the Myrtle Beach MSA assessment area. The assessment area represents 2.1 percent of bank-wide loans by dollar volume and by number of loans and 1.3 percent of bank-wide deposits.

Economic and Demographic Data

The assessment area consists of 105 tracts, including 2 low-income tracts, 20 moderate-income tracts, 59 middle-income tracts, and 20 upper-income tracts. Four tracts have no income designation. The following table presents demographic information from the 2015 ACS Census and 2020 D&B data.

Demographic Information for the Myrtle Beach MSA Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	105	1.9	19.0	56.2	19.0	3.8
Population by Geography	406,656	1.5	19.0	63.6	15.7	0.2
Housing Units by Geography	271,514	1.5	14.4	60.7	23.2	0.1
Owner-Occupied Units by Geography	119,389	0.4	16.1	64.9	18.4	0.2
Occupied Rental Units by Geography	48,542	3.6	20.6	61.7	13.9	0.2
Vacant Units by Geography	103,583	1.7	9.5	55.5	33.2	0.1
Businesses by Geography	33,722	3.9	15.4	57.9	22.2	0.5
Farms by Geography	1,086	1.0	24.3	60.6	13.5	0.6
Family Distribution by Income Level	110,740	20.1	18.4	21.2	40.3	0.0
Household Distribution by Income Level	167,931	23.1	16.4	19.1	41.4	0.0
Median Family Income - Myrtle Beach-Conway-North Myrtle Beach, SC-NC MSA		\$53,695	Median Housing Value			\$194,604
			Median Gross Rent			\$849
			Families Below Poverty Level			12.8%
<i>Source: 2015 ACS and 2020 D&B Data</i>						
<i>Due to rounding, totals may not equal 100.0 percent.</i>						
<i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

The Geographic Distribution criterion compares home mortgage loans to the distribution of owner-occupied housing units and compares small business loans to the percentage of businesses located in low-, moderate-, middle-, and upper-income tracts. The 2015 ACS data shows a majority of owner-occupied housing units and businesses are within the middle-income tracts, indicating most of the lending opportunities will be in these geographies. The remaining owner-occupied housing units and businesses are evenly disbursed between the moderate- and upper-income tracts. The levels within the low-income tracts are significantly less indicating limited opportunities.

The FFIEC updated, Myrtle Beach-Conway-North Myrtle Beach, SC-NC Multi-state MSA MFIs were used to analyze home mortgage loans under the Borrower Profile criterion. The following table presents each income category.

Myrtle Beach MSA – Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
2019 (\$62,500)	<\$31,250	\$31,250 to <\$50,000	\$50,000 to <\$75,000	≥\$75,000
2020 (\$62,100)	<\$31,050	\$31,050 to <\$49,680	\$49,680 to <\$74,520	≥\$74,520
2021 (\$66,300)	<\$33,150	\$33,150 to <\$53,040	\$53,040 to <\$79,560	≥\$79,560
<i>Source: FFIEC</i>				

The analysis of home mortgage lending by borrower income uses families by income level as a comparison to bank performance. The median housing value is \$194,604, and prices are continuing

to rise due to the current economic conditions, which can potentially make housing increasingly unaffordable for low-income individuals. Therefore, lending opportunities to low-income families may be limited.

The analysis of small business loans under the Borrower Profile criterion compares the distribution of small business lending by gross annual revenue. The D&B 2020 distribution of businesses based on gross annual revenues are listed below.

- 86.9 percent reported \$1 million or less;
- 3.7 percent reported more than \$1 million; and
- 9.4 percent did not report revenues.

In 2020, the top industries in the assessment area were Services; Retail Trade; Construction; and, Finance, Insurance, and Real Estate. A total of 90.4 percent of businesses in the assessment area had fewer than 10 employees. Top employers in the assessment area during the evaluation period included Walmart, Coastal Carolina University, Food Lion, and Conway Medical Center, all with over 1,000 employees.

Unemployment rates increased sharply in 2020 due to the COVID-19 pandemic. Unemployment rates dropped in 2021; however, rates in both counties remain elevated above pre-pandemic levels and generally exceeded both state and national levels.

Unemployment Rates			
Area	2019	2020	2021
	%	%	%
Brunswick County, NC	5.2	8.7	6.0
Horry County, SC	3.6	8.3	5.1
North Carolina	3.8	7.2	4.8
South Carolina	2.8	6.0	4.0
National Average	3.7	8.1	5.2
<i>Source: Bureau of Labor Statistics</i>			

Competition

The assessment area is highly competitive. According to the FDIC Deposit Market Share data as of June 30, 2021, 24 FDIC-insured institutions operate 147 branches within the assessment area. Of these institutions, First-Citizens Bank ranked 8th with a market share of 5.1 percent. Competitor institutions in the assessment area include Truist Bank, The Conway National Bank, and Bank of America, NA. Together, the three competitor institutions account for 38.1 percent of the market share.

There is a high level of competition for small business loans within the assessment area. Aggregate data for 2020 shows 128 lenders reported 12,420 small business loans originated or purchased in the assessment area. Overall, First-Citizens Bank ranked 7th with a 4.1 percent market share by number of loans and 4th with a 7.6 percent market share by dollar volume. The five dominant small business lenders accounted for 48.2 percent of the total market share by number.

There is a high level of competition for home mortgage loans among banks, credit unions, and non-depository mortgage lenders. Aggregate data for 2020 shows 674 lenders reported 40,633 residential mortgage loans originated or purchased in the assessment area. First-Citizens Bank ranked 12th with a market share of 1.5 percent. The five dominant home mortgage lenders accounted for 23.6 percent of total market share by number.

Credit and Community Development Needs and Opportunities

A review of demographic and economic data indicates the need for home mortgage and small business loans. In particular, there is a need for affordable housing for low- and moderate-income families as housing prices have continued to rise. Examiners also determined the need for small business loans, which is based on the high number of businesses with four or fewer employees and a majority of businesses reporting gross annual revenues of \$1 million or less.

SCOPE OF EVALUATION – MYRTLE BEACH-CONWAY-NORTH MYRTLE BEACH, SC-NC MULTI-STATE MSA

Examiners conducted a full-scope review of the bank’s performance in the Myrtle Beach MSA. Home mortgage and small business loans were reviewed; however, home mortgage lending performance carries more weight as it accounts for 75.1 percent of total loans by dollar volume and 56.9 percent by number of loans. Small farm loans were not included given the nominal level of loans originated in the assessment area.

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE MYRTLE BEACH-CONWAY-NORTH MYRTLE BEACH, SC-NC MULTI-STATE MSA

LENDING TEST

The Lending Test is rated Low Satisfactory in the Myrtle Beach MSA assessment area. Lending levels in the Myrtle Beach MSA assessment area reflect good responsiveness to assessment area credit needs. The geographic distribution reflects good penetration throughout the assessment area, and the borrower profile reflects good distribution among borrowers of different income levels and businesses of different sizes. The institution uses innovative and/or flexible lending practices but originated no community development loans in the assessment area.

Lending Activity

Lending levels reflect good responsiveness to the assessment area’s credit needs. The tables presented below detail the number and dollar volume of 2020 home mortgage and small business loans in this assessment area.

Geographic Distribution

The geographic distribution of loans is good.

Home Mortgage Loans

The geographic distribution of home mortgage loans is good. The bank did not originate any loans in low-income tracts; however, the level of owner-occupied housing in the low-income tracts is nominal at 0.4 percent, and aggregate lending was limited at 0.4 percent. In 2019, the bank did originate 0.2 percent of loans in the low-income tracts compared to aggregate and demographic data at 0.4 percent. Lending in moderate-income tracts was below demographic data, but slightly above aggregate lending data.

Geographic Distribution of Home Mortgage Loans Myrtle Beach MSA Assessment Area						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low	0.4	0.4	0	0.0	0	0.0
Moderate	16.1	10.0	64	10.7	10,390	8.4
Middle	64.9	64.4	338	56.3	61,326	49.7
Upper	18.4	25.1	197	32.8	51,517	41.7
Not Available	0.2	0.1	1	0.2	200	0.2
Totals	100.0	100.0	600	100.0	123,433	100.0

Source: 2015 ACS; 2020 HMDA Data; and, 2020 HMDA Aggregate Data.

Small Business Loans

The geographic distribution of small business loans reflects good penetration throughout the assessment area. Lending in low-income tracts was slightly below demographic and aggregate data, but performance in moderate-income tracts was consistent with demographic and aggregate data.

Geographic Distribution of Small Business Loans Myrtle Beach MSA Assessment Area						
Tract Income Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
Low	3.9	4.5	20	3.4	1,725	3.3
Moderate	15.4	15.0	90	15.5	6,798	12.8
Middle	57.9	58.7	300	51.6	26,870	50.8
Upper	22.2	21.3	170	29.3	17,501	33.1
Not Available	0.5	0.5	1	0.2	19	0.0
Totals	100.0	100.0	581	100.0	52,913	100.0

*Source: 2015 ACS; 2020 CRA Data; and, 2020 CRA Aggregate Data.
Due to rounding, totals may not equal 100.0 percent.*

Borrower Profile

The distribution of home mortgage loans to borrowers of different incomes and small business loans to businesses of different sizes is good.

Home Mortgage Loans

The distribution of home mortgage loans reflects good penetration among borrowers of different incomes. Lending to low-income borrowers was significantly below demographics; however, performance was consistent with aggregate lending data. Lending to moderate-income borrowers was well below demographic data but just below aggregate data.

Distribution of Home Mortgage Loans by Borrower Income Level Myrtle Beach MSA Assessment Area						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low	20.1	3.7	21	3.5	1,561	1.3
Moderate	18.4	12.5	61	10.2	5,805	4.7
Middle	21.3	19.3	98	16.3	12,938	10.5
Upper	40.3	48.2	391	65.2	94,151	76.3
Not Available	0.0	16.3	29	4.8	8,978	7.3
Totals	100.0	100.0	600	100.0	123,433	100.0

Source: 2015 ACS; 2020 HMDA Data; and, 2020 HMDA Aggregate Data.
Due to rounding, totals may not equal 100.0 percent.

Small Business Loans

The distribution of small business loans reflects good penetration to businesses with gross annual revenues of \$1 million or less. Lending to businesses with gross annual revenues of \$1 million or less was significantly below demographic data but exceeded aggregate lending data.

Distribution of Small Business Loans by Gross Annual Revenue Category Myrtle Beach MSA Assessment Area						
Gross Revenue Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
<=\$1,000,000	86.9	43.1	285	49.1	14,318	27.1
>\$1,000,000	3.7	--	161	27.7	30,038	56.8
Revenue Not Available	9.5	--	135	23.2	8,557	16.2
Totals	100.0	100.0	581	100.0	52,913	100.0

Source: 2020 D&B Data; 2020 CRA Data; and, 2020 CRA Aggregate Data.
"--" data not available.
Due to rounding, totals may not equal 100.0 percent.

Community Development Loans

First-Citizens Bank did not originate any community development loans in the Myrtle Beach MSA assessment area.

INVESTMENT TEST

The Investment Test is rated High Satisfactory. First-Citizens Bank has a significant level of qualified investments in the assessment area. The bank exhibits good responsiveness to credit and community development needs and occasionally uses innovative and/or complex investments to support community development initiatives.

Investment and Grant Activity

The bank has a significant level of qualified investments in this assessment area. Qualified investments in the Myrtle Beach MSA assessment area total \$6.9 million or 1.1 percent of bank-wide qualified investments. Investments include one nationwide and one regionally-based investments for affordable housing projects, of which \$6.9 million benefited the assessment area. Additionally, the bank made 22 donations totaling \$17,350. Of the donations, \$2,000 benefited affordable housing, \$13,350 benefited community services, and \$2,000 benefited economic development. Provided below are examples of donations that benefited the assessment area.

- \$9,450 to a non-profit organization that provides community services, including health services, food assistance programs, and free tax preparation assistance, to low- and moderate-income individuals and families within the assessment area.
- \$2,000 to an organization that provides economic development opportunities for and support to small businesses within the assessment area.

SERVICE TEST

The Service Test is rated High Satisfactory in the Myrtle Beach assessment area. First-Citizens Bank's delivery systems are accessible to essentially all portions of the Myrtle Beach MSA assessment area. The institution did not open or close any branches in the Myrtle Beach MSA assessment area during the evaluation period; thus, no adverse impact is noted to the accessibility of its delivery systems. Services and business hours do not vary in a way that inconveniences certain portions of the assessment area, particularly low- and moderate-income geographies, or individuals. The bank provided a relatively high level of community development services.

Accessibility of Delivery Systems

Delivery systems are accessible to essentially all portions of the Myrtle Beach MSA assessment area. The conclusions regarding the accessibility of delivery systems for the Myrtle Beach MSA assessment area are consistent with the institution overall. The level of branching in low-income tracts is well above the level of population within the two low-income tracts in the assessment area. Moderate-income branches mirror the level of population. The bank also operates 2 of the 12 ATMs (16.7 percent) in the assessment area in low-income tracts, and 2 ATMs (16.7 percent) are located in moderate-income tracts. The branch distribution by geography income level is shown in the following table.

Branch Distribution by Geography Income Level Myrtle Beach MSA Assessment Area						
Tract Income Level	Census Tracts		Population		Branches	
	#	%	#	%	#	%
Low	2	1.9	6,079	1.5	1	10.0
Moderate	20	19.0	77,161	19.0	2	20.0
Middle	59	56.2	258,497	63.6	5	50.0
Upper	20	19.0	63,954	15.7	2	20.0
NA	4	3.8	965	0.2	0	0.0
Total	105	100.0	406,656	100.0	10	100.0
<i>Source: 2015 ACS Data and Bank Data</i>						

Community Development Services

First-Citizens Bank provided a relatively high level of community development services in the assessment area. Bank employees and Board members provided 20 instances for 491 hours of community development service. These services equate to 0.7 instances and 16.4 hours of community development service per branch per year. This performance accounts for 1.9 percent of the bank-wide community development services by number of hours. The level of community development services is consistent with the percentage of branches within the assessment area at 1.9 percent bank-wide. The bank engaged in 20 instances of community development service at the previous evaluation. The following are examples of community development services provided.

- An employee serves on the Board of a non-profit medical center foundation, whose mission is to improve the quality of life through programs including a mammography initiative, a medical clinic, and other initiatives that are targeted to low- and moderate-income individuals.
- An employee serves as Treasurer for a county-level economic development organization, whose goals are attracting, growing, and retaining sustainable businesses that create jobs as well as functioning as a resource for location and expansion assistance to businesses.
- An employee serves on the Board of a regional economic development corporation, whose goals are to raise the profile of the assessment area as a prime business location; unite key parties in the public and private sectors to accelerate economic growth; and, diversify the economy by attracting suitable and sustainable industries.

AUGUSTA-RICHMOND COUNTY GA-SC, MULTI-STATE MSA

CRA RATING FOR THE AUGUSTA-RICHMOND COUNTY, GA-SC MULTI-STATE MSA: SATISFACTORY

The Lending Test is rated: High Satisfactory

The Investment Test is rated: Needs to Improve

The Service Test is rated: High Satisfactory

DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE AUGUSTA-RICHMOND COUNTY, GA-SC MULTI-STATE MSA

The Augusta-Richmond County GA-SC, Multi-state MSA includes seven counties; however, the bank has delineated five of the counties (Columbia, McDuffie, and Richmond in Georgia and Aiken and Edgefield in South Carolina) as the Augusta MSA assessment area. There have been no changes to this assessment area since the prior evaluation. The bank operates 11 or 2.1 percent of bank-wide branch offices in the Augusta MSA assessment area. The assessment area represents 1.1 percent of bank-wide loans by dollar volume, 1.3 percent of bank-wide lending by number of loans, and 1.6 percent of bank-wide deposits.

Economic and Demographic Data

The assessment area consists of 111 tracts, including 11 low-income tracts, 31 moderate-income tracts, 42 middle-income tracts, and 26 upper-income tracts. One tract has no income designation. The following table presents demographic information from the 2015 ACS Census and 2020 D&B data.

Demographic Information for the Augusta MSA Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	111	9.9	27.9	37.8	23.4	0.9
Population by Geography	549,451	7.0	24.9	38.9	29.2	0.0
Housing Units by Geography	232,734	7.4	26.2	37.7	28.7	0.0
Owner-Occupied Units by Geography	132,800	3.9	22.3	39.7	34.1	0.0
Occupied Rental Units by Geography	65,345	13.4	32.5	34.1	20.0	0.0
Vacant Units by Geography	34,589	9.7	28.8	37.1	24.4	0.0
Businesses by Geography	38,228	7.3	20.8	32.8	39.1	0.0
Farms by Geography	1,232	4.0	23.6	39.4	33.0	0.0
Family Distribution by Income Level	134,849	23.8	16.0	18.1	42.0	0.0
Household Distribution by Income Level	198,145	25.3	14.8	16.5	43.4	0.0
Median Family Income - Augusta-Richmond County, GA-SC MSA		\$58,059	Median Housing Value			\$131,225
			Median Gross Rent			\$795
			Families Below Poverty Level			14.6%
<i>Source: 2015 ACS and 2020 D&B Data</i> <i>Due to rounding, totals may not equal 100.0 percent.</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

The Geographic Distribution criterion compares home mortgage loans to the distribution of owner-occupied housing units and compares small business loans to the percentage of businesses located in low-, moderate-, middle-, and upper-income tracts. The 2015 ACS data shows a majority of owner-occupied housing units and businesses are within the middle- and upper-income tracts, indicating most of the lending opportunities will be in these geographies. The moderate-income tracts contain a good level of owner-occupied housing units and businesses, while significantly fewer opportunities are indicated in the low-income tracts.

The FFIEC updated Augusta-Richmond County GA-SC, Multi-state MFIs were used to analyze home mortgage loans under the Borrower Profile criterion. The following table presents each income category.

Augusta MSA – Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
2019 (\$63,100)	<\$31,550	\$31,550 to <\$50,480	\$50,480 to <\$75,720	≥\$75,720
2020 (\$65,600)	<\$32,800	\$32,800 to <\$52,480	\$52,480 to <\$78,720	≥\$78,720
2021 (\$70,000)	<\$35,000	\$35,000 to <\$56,000	\$56,000 to <\$84,000	≥\$84,000
<i>Source: FFIEC</i>				

The analysis of home mortgage lending by borrower income uses families by income level as a comparison to bank performance. The median housing value is \$131,225; however, prices are

rising due to the current economic conditions, which can potentially make housing increasingly unaffordable for low-income individuals in the assessment area. Therefore, lending opportunities to low-income families may be limited.

The analysis of small business loans under the Borrower Profile criterion compares the distribution of small business lending by gross annual revenue. The D&B 2020 distribution of businesses based on gross annual revenues is listed below.

- 86.3 percent reported \$1 million or less;
- 3.5 percent reported more than \$1 million; and
- 10.2 percent did not report revenues.

In 2020, the top industries in the assessment area were Services; Retail Trade; Finance, Insurance, and Real Estate; and, Construction. A total of 90.0 percent of businesses in the assessment area had fewer than 10 employees. Top employers in the assessment area during the evaluation period included the U.S. Army, Augusta University, Augusta University Hospital, and James Haley Veterans Hospital, all with over 1000 employees.

Unemployment rates increased significantly in 2020 due to the COVID-19 pandemic. Unemployment rates dropped significantly in 2021; however, rates in McDuffie and Richmond counties remain elevated above state averages.

Unemployment Rates			
Area	2019	2020	2021
	%	%	%
Columbia County, GA	3.2	4.2	2.7
McDuffie County, GA	5.4	7.9	5.2
Richmond County, GA	4.8	7.6	5.4
Aiken County, SC	2.8	4.9	3.4
Edgefield County, SC	2.7	5.0	3.4
Georgia	3.6	6.5	3.9
South Carolina	2.8	6.0	4.0
National Average	3.7	8.1	5.2
<i>Source: Bureau of Labor Statistics</i>			

Competition

The assessment area is competitive. According to the FDIC Deposit Market Share data as of June 30, 2021, 21 FDIC-insured institutions operate 114 branches within the assessment area. Of these institutions, First-Citizens Bank ranked 7th with a market share of 6.6 percent. Competitor institutions in the assessment area include Wells Fargo Bank, NA, South State Bank, and Bank of America, NA. Together, the three competitor institutions account for 47.3 percent of the market share.

There is a high level of competition for small business loans within the assessment area. Aggregate data for 2020 shows 130 lenders reported 10,523 small business loans originated or purchased in the assessment area. Overall, First-Citizens Bank ranked 7th with a 4.4 percent market share by number of loans and 5th with an 8.8 percent market share by dollar volume. The five dominant small business lenders accounted for 48.4 percent of the total market share by number.

There is a high level of competition for home mortgage loans among banks, credit unions, and non-depository mortgage lenders. Aggregate data for 2020 shows 474 lenders reported 27,813 residential mortgage loans originated or purchased in the assessment area. First-Citizens Bank ranked 27th with a market share of 1.0 percent. The five dominant home mortgage lenders accounted for 27.0 percent of total market share by number.

Community Contact

As part of the evaluation process, examiners contact third parties active in the assessment area to assist in identifying the credit needs of the assessment area. This information helps identify credit and community development needs and whether local financial institutions are responsive to those opportunities. One community contact from a community economic development organization was referenced within the Augusta MSA assessment area. The contact noted affordable housing and small business loans are credit needs in the assessment area.

Credit and Community Development Needs and Opportunities

Examiners determined that small business and home mortgage loans represent primary credit needs for the assessment area based on the community contact information and demographic data. In particular, affordable home mortgage loans for low- and moderate-income families are needed based on community contact feedback and demographic data. In addition, small business loans are needed based on community contact information, the high percentage of businesses with four or fewer employees, and a majority of businesses reporting gross annual revenues of \$1 million or less.

SCOPE OF EVALUATION – AUGUSTA-RICHMOND COUNTY GA-SC, MULTI-STATE MSA

Examiners conducted a full-scope review of the bank's performance in the Augusta MSA. Home mortgage and small business loans were reviewed; however, small business lending performance was given slightly more weight as it accounts for 57.1 percent of loans by number of loans. The dollar volume of lending is comparable for home mortgage and small business lending. Small farm loans were not reviewed given the limited volume of originations in the assessment area.

CONCLUSIONS ON PERFORMANCE CRITERIA IN AUGUSTA- RICHMOND COUNTY GA-SC MULTI-STATE MSA

LENDING TEST

The Lending Test is rated High Satisfactory in the Augusta MSA assessment area. Lending levels in the Augusta MSA assessment area reflect good responsiveness to assessment area credit needs.

The geographic distribution reflects good penetration throughout the assessment area, and the borrower profile reflects good distribution of loans among businesses of different sizes and borrowers of different income levels. The institution uses innovative and/or flexible lending practices and originated a low level of community development loans.

Lending Activity

Lending levels reflect good responsiveness to the assessment area’s credit needs. The tables presented below detail the number and dollar volume of 2020 small business and home mortgage loans in this assessment area.

Geographic Distribution

The geographic distribution of loans is good.

Small Business Loans

The geographic distribution of small business loans reflects good penetration throughout the assessment area. Lending in low- income tracts mirrored demographic data and was slightly above aggregate data. Lending in moderate-income tracts was above demographic data and well above aggregate data.

Geographic Distribution of Small Business Loans Augusta MSA Assessment Area						
Tract Income Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
Low	7.3	6.4	37	7.3	7,567	12.9
Moderate	20.8	18.4	130	25.5	15,060	25.6
Middle	32.8	33.3	183	36.0	17,727	30.1
Upper	39.1	41.8	157	30.8	17,998	30.6
Not Available	0.0	0.0	2	0.4	445	0.8
Totals	100.0	100.0	509	100.0	58,797	100.0

*Source: 2015 ACS; 2020 CRA Data; and, 2020 CRA Aggregate Data.
Due to rounding, totals may not equal 100.0 percent.*

Home Mortgage Loans

The geographic distribution of home mortgage loans is good. Lending in both low-income and moderate-income tracts was well below demographic data but exceeded aggregate lending data.

Geographic Distribution of Home Mortgage Loans Augusta MSA Assessment Area						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low	3.9	1.5	5	1.8	400	0.9
Moderate	22.3	11.3	39	14.3	4,814	10.5
Middle	39.7	38.2	119	43.6	17,670	38.4
Upper	34.1	49.1	110	40.3	23,129	50.3
Totals	100.0	100.0	273	100.0	46,013	100.0

Source: 2015 ACS; 2020 HMDA Data; and, 2020 HMDA Aggregate Data.
Due to rounding, totals may not equal 100.0 percent.

Borrower Profile

The distribution of small business loans to businesses of different sizes and home mortgage loans to borrowers of different incomes is good.

Small Business Loans

The distribution of small business loans reflects good penetration to businesses with gross annual revenues of \$1 million or less. Lending to small businesses was significantly below demographic data but exceeded aggregate lending data.

Distribution of Small Business Loans by Gross Annual Revenue Category Augusta MSA Assessment Area						
Gross Revenue Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
<=\$1,000,000	86.3	34.1	199	39.1	13,857	23.6
>\$1,000,000	3.5	--	156	30.6	35,005	59.5
Revenue Not Available	10.2	--	154	30.3	9,935	16.9
Totals	100.0	100.0	509	100.0	58,797	100.0

Source: 2020 D&B Data; 2020 CRA Data; and, 2020 CRA Aggregate Data.
"--" data not available.

Home Mortgage Loans

The distribution of home mortgage loans reflects adequate penetration among borrowers of different incomes. Lending to low-income borrowers was significantly below the percent of low-income families; however, the bank's performance exceeded aggregate lending data. Lending to moderate-income borrowers was below demographic and just below aggregate data.

Distribution of Home Mortgage Loans by Borrower Income Level Augusta MSA Assessment Area						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low	23.8	3.3	12	4.4	790	1.7
Moderate	16.0	12.1	30	11.0	2,601	5.7
Middle	18.1	18.1	60	22.0	7,598	16.5
Upper	42.0	35.3	166	60.8	33,326	72.4
Not Available	0.0	31.1	5	1.8	1,697	3.7
Totals	100.0	100.0	273	100.0	46,013	100.0

*Source: 2015 ACS; 2020 HMDA Data; and, 2020 HMDA Aggregate Data.
Due to rounding, totals may not equal 100.0 percent.*

Community Development Loans

First-Citizens Bank originated a low level of community development loans in the Augusta MSA assessment area. During this evaluation period, the bank originated four community development loans totaling \$2.2 million. This represents 0.7 percent by number and 0.3 percent by dollar volume of total bank-wide community development loans. Regarding the community development purpose, one loan supports community services and three loans support revitalization or stabilization. As an example, the bank originated a \$1.0 million loan to construct a property for a small business in a low-income census tract that will help stabilize the area and provide jobs.

INVESTMENT TEST

The Investment Test is rated Needs to Improve. First-Citizens Bank has a poor level of qualified investments in the assessment area. The bank exhibits adequate responsiveness to credit and community development needs and occasionally uses innovative and/or complex investments to support community development initiatives.

Investment and Grant Activity

The bank has a poor level of qualified investments. Qualified investments in the assessment area total \$1.3 million or 0.2 percent of bank-wide qualified investments. The investments consist of a nationwide GNMA MBS totaling \$1.3 million, which supports affordable housing projects in the assessment area. Additionally, the bank made 29 donations totaling \$38,100. Of the donations, \$2,500 benefited affordable housing, \$29,600 benefited community services, and \$6,000 benefited economic development. Provided below are examples of donations that benefited the assessment area.

- \$5,000 to a non-profit organization that provides community services, including community-based health risks prevention services and beds, to low- and moderate-income individuals and families.
- \$5,000 to a non-profit organization that provides economic development opportunities for

and support to small businesses. The organization’s mission is to provide consulting and project management on a variety of business challenges, including expansion and retention, workforce attraction and development, community relations, and navigating resources and programs available to enhance small business opportunities for success.

SERVICE TEST

The Service Test is High Satisfactory in the Augusta MSA assessment area. First-Citizens Bank’s delivery systems are accessible to essentially all portions of the Augusta MSA assessment area. The institution’s opening and closing of branches has not adversely affected the accessibility of its delivery systems. Services and business hours do not vary in a way that inconveniences certain portions of the assessment area, particularly low- and moderate-income geographies, or individuals. The bank provided an adequate level of community development services.

Accessibility of Delivery Systems

Delivery systems are accessible to essentially all portions of the Augusta MSA assessment area. The conclusions regarding the accessibility of delivery systems for the Augusta MSA assessment area are consistent with the institution overall. The bank operates no branches in the low-income tracts; however, the level of population is low at 7.0 percent. Branching in the moderate-income tracts is well above the percentage of the population in those tracts. Additionally, the bank operates 6 of the 14 ATMs (42.9 percent) in the assessment area within moderate-income tracts. The branch distribution by geography income level is shown in the following table.

Branch Distribution by Geography Income Level Augusta MSA Assessment Area						
Tract Income Level	Census Tracts		Population		Branches	
	#	%	#	%	#	%
Low	11	9.9	38,267	7.0	0	0.0
Moderate	31	28.0	136,913	24.9	4	36.4
Middle	42	37.8	213,935	38.9	4	36.4
Upper	26	23.4	160,336	29.2	3	27.3
NA	1	0.9	0	0.0	0	0.0
Total	111	100.0	549,451	100.0	11	100.0
<i>Source: 2015 ACS Data and Bank Data Due to rounding, totals may not add to 100 percent.</i>						

Changes in Branch Locations

To the extent changes have been made, the institution’s opening and closing of branches has not adversely affected the accessibility of its delivery systems, particularly in low and moderate income geographies and/or to low- and moderate income individuals. Since the previous evaluation, the bank has opened one branch and closed two branches in the Augusta MSA assessment area. The bank opened one branch in an upper-income tract, and closed one branch each in a middle- and upper-income tract.

Community Development Services

First-Citizens Bank provided an adequate level of community development services in the Augusta MSA assessment area. Bank employees and Board members provided 23 instances for 235 hours of community development service. These services equate to 0.7 instances and 7.1 hours of community development service per branch per year. This performance accounts for 0.9 percent of the bank-wide community development services by number of hours. The level of community development services is below the percentage of branches within the assessment area at 2.1 percent bank-wide. The bank engaged 22 instances of community development service at the previous evaluation. The following are examples of community development services provided.

- An employee serves on the Board of a local non-profit economic development organization, whose mission is to build a strong and stable economic base through the attraction of jobs, investment, and a diverse mix of businesses.
- An employee serves as Board Chairman of a non-profit hospital authority, whose mission is to promote community health and wellness by actively identifying and supporting charitable programs that financially assist patients in need, increase health care knowledge, improve wellness through preventive care, and encourage the pursuit of health care careers.
- An employee taught a financial literacy class to clients of a community action agency, whose mission is to leverage resources, empower people, and advocate to alleviate poverty through programs that include providing food, eviction prevention, utility assistance, rental assistance, prescription assistance, rapid rehousing, landlord mediation, personal care items, and resource locating/referrals.

PORTLAND-VANCOUVER-HILLSBORO, OR-WA MULTI-STATE MSA

CRA RATING FOR THE PORTLAND-VANCOUVER-HILLSBORO, OR-WA MULTI-STATE MSA: NEEDS TO IMPROVE

The Lending Test is rated: Low Satisfactory

The Investment Test is rated: Low Satisfactory

The Service Test is rated: Needs to Improve

DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE PORTLAND-VANCOUVER-HILLSBORO, OR-WA MULTI-STATE MSA

The bank delineated a portion of the Portland-Vancouver-Hillsboro, OR-WA Multi-State MSA as the assessment area. While the Portland-Vancouver-Hillsboro, OR-WA Multi-State MSA contains seven counties, the bank included three of these counties as the assessment area, as these are the only counties where the bank has branches. These counties are Clackamas and Multnomah Counties in Oregon and Clark County in Washington. The bank operates three or 0.6 percent of its branch offices in the Portland MSA assessment area. The Portland MSA assessment area accounts for 0.5 percent of bank-wide loans by dollar volume and by number of loans and 0.3 percent of the bank-wide deposits.

Economic and Demographic Data

The assessment area consists of 355 census tracts, including seven low-income tracts, 92 moderate-income tracts, 155 middle-income tracts, and 98 upper-income tracts. Three tracts have no income designation. The following table presents demographic information from the 2015 ACS Census and 2020 D&B data.

Demographic Information for the Portland MSA Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	355	2.0	25.9	43.7	27.6	0.8
Population by Geography	1,602,362	1.9	27.4	44.3	26.3	0.2
Housing Units by Geography	660,195	1.8	26.6	43.8	27.4	0.3
Owner-Occupied Units by Geography	373,533	0.8	20.8	47.0	31.3	0.0
Occupied Rental Units by Geography	249,099	3.4	35.2	39.1	21.7	0.7
Vacant Units by Geography	37,563	1.8	26.7	44.5	26.6	0.4
Businesses by Geography	195,399	1.3	21.8	40.3	33.6	2.9
Farms by Geography	4,699	0.8	15.8	51.4	31.1	0.9
Family Distribution by Income Level	385,195	21.7	17.8	20.4	40.1	0.0
Household Distribution by Income Level	622,632	24.8	16.5	18.1	40.6	0.0
Median Family Income - Portland-Vancouver-Hillsboro, OR-WA MSA		\$73,089	Median Housing Value			\$288,755
			Median Gross Rent			\$1,016
			Families Below Poverty Level			9.3%
<i>Source: 2015 ACS and 2020 D&B Data</i>						
<i>Due to rounding, totals may not equal 100.0 percent.</i>						
<i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

The Geographic Distribution criterion compares home mortgage loans to the distribution of owner-occupied housing units and compares small business loans to the percentage of businesses located in low-, moderate-, middle-, and upper-income tracts. The 2015 ACS data shows a significant majority of owner-occupied housing units and businesses are within the middle- and upper-income tracts, indicating most of the lending opportunities will be in these geographies. The moderate-income tracts contain a fair level of owner-occupied housing units and businesses, while significantly fewer opportunities are indicated in the low-income tracts.

The FFIEC updated Portland-Vancouver-Hillsboro, OR-WA MSA MFIs were used to analyze home mortgage loans under the Borrower Profile criterion. The following table presents each income category.

Portland MSA – Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
2019 (\$87,900)	<\$43,950	\$43,950 to <\$70,320	\$70,320 to <\$105,480	≥\$105,480
2020 (\$92,100)	<\$46,050	\$46,050 to <\$73,680	\$73,680 to <\$110,520	≥\$110,520
2021 (\$96,900)	<\$48,450	\$48,450 to <\$77,520	\$77,520 to <\$116,280	≥\$116,280
<i>Source: FFIEC</i>				

The analysis of home mortgage lending by borrower income uses families by income level as a comparison to bank performance. The median housing value is over \$288,000, and prices are

continuing to rise due to the current economic conditions, which can potentially make housing increasingly unaffordable for low-income individuals. Therefore, lending opportunities to low-income families may be limited.

The analysis of small business loans under the Borrower Profile criterion compares the distribution of small business lending by gross annual revenue. The D&B 2020 distribution of businesses based on gross annual revenues is listed below.

- 90.2 percent reported \$1 million or less;
- 3.4 percent reported more than \$1 million; and
- 6.3 percent did not report revenues.

In 2020, the top industries were Professional and Business Services; Education and Health Services; and, Government. In addition, approximately 92.5 percent of area businesses have ten or fewer employees. The top employers were Intel Corp., Providence Health Systems, Oregon Health and Science University, Nike Inc., and Kaiser Foundation Health Plan of the NW.

The 2020 unemployment rates increased sharply due to the COVID-19 pandemic. The unemployment rates for 2021 dropped sharply, although the rates in the assessment area remain above the pre-pandemic levels. Unemployment rates in the assessment area were generally comparable to state unemployment rates and the national averages.

Unemployment Rates			
Area	2019	2020	2021
	%	%	%
Clackamas County, OR	3.4	7.3	4.9
Multnomah County, OR	3.3	8.6	5.6
Clark County, WA	4.8	8.6	5.5
Oregon	3.7	7.6	5.2
Washington	4.3	8.5	5.3
National Average	3.7	8.1	5.2
<i>Source: Bureau of Labor Statistics</i>			

Competition

The assessment area is moderately competitive. According to the FDIC Deposit Market Share data as of June 30, 2021, 30 FDIC-insured institutions operate 295 branches within the assessment area. Of these institutions, First-Citizens Bank ranked 24th with a market share of 0.3 percent. Competitor institutions in the assessment areas include Bank of America, NA; US Bank, NA; and Wells Fargo Bank, NA. Together, the three competitor institutions account for 57.9 percent of the market share.

There is a high level of competition for home mortgage loans among banks, credit unions, and non-depository mortgage lenders. Aggregate data for 2020 shows 635 lenders reported 132,203 residential mortgage loans originated or purchased indicating high competition. First-Citizens Bank

ranked 360th with a market share of less than 0.1 percent. The five dominant home mortgage lenders accounted for 21.8 percent of total market share by number. In addition, there is a high level of competition for business loans within the assessment area. Aggregate data for 2020 shows 192 lenders reported 47,377 small business loans originated or purchased in the assessment area. Overall, First-Citizens Bank ranked 24th with 0.5 percent market share by number of loans and 15th with 1.4 percent of the dollar volume of loans. The five dominant small business lenders accounted for 56.2 percent of the total market share by number.

Community Contact(s)

As part of the CRA evaluation process, examiners contact third parties active in the assessment area to assist in identifying the credit and community development needs. This information helps determine whether local financial institutions are responsive to these needs. It also shows what credit and community development opportunities are available. Examiners referenced one recent community contact within the Portland MSA assessment area.

The contact stated that business growth has rebounded to pre-pandemic levels, but concerns remain regarding inflation and on-going supply shortages. Restaurants are particularly vulnerable and are dealing with labor shortages. In addition, the contact stated that areas with higher rates of residents whose first language is not English as well as areas with lower incomes are at a disadvantage when seeking local credit. A strong unmet retail demand for financial products and services, ongoing urban redevelopment, an Enterprise Zone with tax exemptions, and riverfront mixed-use redevelopment, represent opportunities for local financial institutions to collaborate with entrepreneurs.

Credit and Community Development Needs and Opportunities

Considering information from the community contact and demographic and economic data, examiners determined small business loans represent a primary credit need for the assessment area. The significant percentage of businesses with gross annual revenues of \$1 million or less at 90.2 percent, and the large number of businesses with ten or fewer employees at 92.5 percent support this conclusion. Affordable housing represents a need as 39.5 percent of the families are low- and moderate-income. According to the Federal Housing Finance Agency and Moody's Analytics, housing in this area has been and remains significantly overvalued. Additionally, occupied rental units significantly out pace owner-occupied units in the low- and moderate-income geographies.

SCOPE OF EVALUATION – PORTLAND-VANCOUVER-HILLSBORO, OR-WA MULTI-STATE MSA

The Portland-Vancouver-Hillsboro, OR-WA Multi-state MSA includes five counties in Oregon and two counties in Washington. The bank delineated Clackamas and Multnomah Counties in Oregon and Clark County in Washington as the Portland MSA assessment area. The overall assessment area was in place at the prior CRA evaluation; however, given the limited time since the bank entered the multi-state MSA at that CRA evaluation, the bank's performance in the multi-state MSA was not analyzed. The last CRA evaluation included the analysis of only the Oregon portion of the multi-state MSA. The overall conclusions and ratings are predicated on the small business lending

performance as it represents 97.3 percent of assessment area loans by number and 88.3 percent of assessment area loans by dollar volume. Home mortgage loans were reviewed; however, the level of home mortgage loans is low with only 19 loans originated during the review period. Therefore, the analysis of home mortgage loans did not provide meaningful conclusions and is not presented. Small farm loans were not analyzed as none were originated in the assessment area during the review period.

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE PORTLAND-VANCOUVER-HILLSBORO, OR-WA MULTI-STATE MSA

LENDING TEST

The Lending Test is rated Low Satisfactory in the Portland MSA assessment area. Lending levels in the Portland MSA assessment area reflect adequate responsiveness to assessment area credit needs. The geographic distribution reflects good penetration throughout the assessment area, and the borrower profile reflects adequate distribution of loans among businesses of different sizes. The institution uses innovative and/or flexible lending practices and originated an adequate level of community development loans.

Lending Activity

Lending levels reflect adequate responsiveness to the assessment area's credit needs. The tables presented below detail the number and dollar volume of 2020 small business loans in this assessment area.

Geographic Distribution

The geographic distribution of loans is good.

Small Business Loans

The geographic distribution of small business loans reflects good penetration throughout the assessment area. Lending in both low- and moderate-income tracts exceeded demographic and aggregate lending data.

Geographic Distribution of Small Business Loans Portland MSA Assessment Area						
Tract Income Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
Low	1.3	1.4	5	1.8	513	1.1
Moderate	21.8	21.9	72	26.4	12,926	28.7
Middle	40.3	39.5	76	27.8	13,982	31.0
Upper	33.6	34.5	107	39.2	15,627	34.7
Not Available	2.9	2.7	13	4.8	1,992	4.4
Totals	100.0	100.0	273	100.0	45,040	100.0

*Source: 2015 ACS; 2020 CRA Data; and, 2020 CRA Aggregate Data.
Due to rounding, totals may not equal 100.0 percent.*

Borrower Profile

The distribution of small business loans to businesses of different sizes is adequate.

Small Business Loans

Lending to businesses with gross annual revenues of \$1 million or less is adequate. In 2020, lending performance was significantly lower than demographic data and well below aggregate data. Lending in 2019 was substantially lower than demographic data and significantly below aggregate lending. However, in 2021, lending to small businesses increased to 42.2 percent. In addition, as reflected in the table below, a significant percentage of loans did not have revenue reported. The significant level of loans without revenue impacts the analysis of small business lending. Therefore, a review of loans without revenue available by size of the loan was conducted. The analysis determined that 69 or 54.3 percent of loans without revenue had origination amounts of \$100,000 or less, indicating assistance to small businesses.

Distribution of Small Business Loans by Gross Annual Revenue Category Portland MSA Assessment Area						
Gross Revenue Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
<=\$1,000,000	90.2	43.8	85	31.1	12,898	28.6
>\$1,000,000	3.4	--	61	22.3	15,090	33.5
Revenue Not Available	6.3	--	127	46.5	17,052	37.9
Totals	100.0	100.0	273	100.0	45,040	100.0

*Source: 2020 D&B Data; 2020 CRA Data; and, 2020 CRA Aggregate Data.
"--" data not available.
Due to rounding, totals may not equal 100.0 percent.*

Community Development Loans

First-Citizens Bank originated an adequate level of community development loans in the Portland MSA assessment area. During this evaluation period, the bank originated eight community

development loans totaling \$2.5 million. This represents 1.5 percent by number and 0.3 percent by dollar volume of total bank-wide community development loans. Regarding the community development purpose, one loan supports affordable housing and seven loans support community services. Examples of community development loans follow.

- three loans totaling \$1.9 million to a non-profit organization located in a moderate-income census tract that provides community services targeted to low- and moderate-income individuals.

INVESTMENT TEST

The Investment Test is rated Low Satisfactory. First-Citizens Bank has an adequate level of qualified investments in the assessment area. The bank exhibits good responsiveness to credit and community development needs and occasionally uses innovative and/or complex investments to support community development initiatives.

Investment and Grant Activity

The bank has an adequate level of qualified investments. Qualified investments in the assessment area total \$3.3 million or 0.5 percent of bank-wide qualified investments. The investments consist of a prior period nationwide GNMA MBS totaling \$1.7 million that supports affordable housing projects in the assessment area. The prior period investments also consisted of 4 SBA pools totaling \$1.5 million, which contributed to economic development by supporting small businesses in the assessment area. Additionally, the bank made 15 donations totaling \$9,250. Of the donations, \$2,250 benefited affordable housing, \$4,250 benefited community services, and \$2,750 benefited economic development. Provided below are examples of donations that benefited the assessment area.

- \$1,250 to a non-profit organization that assists low- and moderate-income individuals and families to build or renovate their homes with volunteer labor and donations of money and materials.
- \$1,500 to a non-profit organization that provides low- and moderate-income high school graduates between the ages of 18-26 with a short-term intensive construction training program focused on getting them ready to enter the construction industry.

SERVICE TEST

The Service Test is rated Needs to Improve in the Portland MSA assessment area. First-Citizens Bank's delivery systems are accessible to limited portions of the Portland MSA assessment area. The institution did not open or close any branches in the Portland MSA assessment area during the evaluation period; thus, no adverse impact is noted to the accessibility of its delivery systems. Services and business hours do not vary in a way that inconveniences certain portions of the assessment area, particularly low- and moderate-income geographies, or individuals. The bank provided a low level of community development services.

Accessibility of Delivery Systems

Delivery systems are accessible to limited portions of the Portland MSA assessment area. The conclusions regarding the accessibility of delivery systems for the Portland MSA assessment area are less favorable than the institution overall. None of the branches within the assessment area are located in low- or moderate-income tracts. While the low-income tracts account for only 1.9 percent of the population, the moderate-income tracts have a large percentage of the population. The bank operates one ATM in the assessment area in an upper-income tract. The branch distribution by geography income level is shown in the following table

Branch Distribution by Geography Income Level Portland MSA Assessment Area						
Tract Income Level	Census Tracts		Population		Branches	
	#	%	#	%	#	%
Low	7	2.0	29,669	1.9	0	0.0
Moderate	92	25.9	438,773	27.4	0	0.0
Middle	155	43.7	709,915	44.3	1	33.3
Upper	98	27.6	420,979	26.3	1	33.3
NA	3	0.8	3,026	0.2	1	33.3
Total	355	100.0	1,602,362	100.0	3	100.0
<i>Source: 2015 ACS Data and Bank Data Due to rounding, totals may not add to 100 percent.</i>						

Community Development Services

First-Citizens Bank provided a low level of community development services in the assessment area. Bank employees and Board members provided 11 instances for 19 hours of community development service. These services equate to 1.2 instances and 2.1 hours of community development service per branch per year. This performance accounts for 0.1 percent of the bank-wide community development services by number of hours. The level of community development services is below the percentage of branches within the assessment area at 0.6 percent bank-wide. The bank engaged in 5 instances of community development service at the previous evaluation. The following are examples of community development services provided.

- An employee taught a financial literacy course for a non-profit organization that teaches individuals to play an active role in their financial well-being, focusing on those individuals with the most need for these services.
- An employee gave a presentation to small business owners on the Payroll Protection Loan Forgiveness Program on behalf of the Oregon SBA.
- An employee gave a presentation on SBA 504 Loans to small business owners on behalf of a local business development association, whose mission is to support business growth and job creation.

KANSAS CITY, MO-KS MULTI-STATE MSA

CRA RATING FOR THE KANSAS CITY, MO-KS MULTI-STATE MSA: SATISFACTORY

The Lending Test is rated: High Satisfactory

The Investment Test is rated: Low Satisfactory

The Service Test is rated: High Satisfactory

DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE KANSAS CITY, MO-KS MULTI-STATE MSA

The Kansas City, MO-KS Multi-state MSA includes 14 counties; however, the bank has delineated two counties (Johnson, KS and Jackson, MO) as the Kansas City MSA assessment area. There have been no changes to this assessment area since the prior evaluation. The bank operates two or 0.4 percent of its branch offices in the Kansas City MSA assessment area. The assessment area represents 0.4 percent of bank-wide loans by dollar volume, 0.3 percent of bank-wide lending by number of loans, and 0.3 percent of deposits.

Economic and Demographic Data

The assessment area consists of 329 tracts, including 51 low-income tracts, 66 moderate-income tracts, 96 middle-income tracts, and 106 upper-income tracts. Ten tracts have no income designation. The following table presents demographic information from the 2015 ACS Census and 2020 D&B data.

Demographic Information of the Assessment Area Kansas City MSA Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	329	15.5	20.1	29.2	32.2	3.0
Population by Geography	1,247,719	9.9	19.9	32.1	37.8	0.3
Housing Units by Geography	545,031	12.0	21.1	32.7	33.6	0.6
Owner-Occupied Units by Geography	315,517	6.2	16.1	33.3	44.2	0.2
Occupied Rental Units by Geography	178,703	17.3	28.2	33.6	20.0	0.9
Vacant Units by Geography	50,811	30.0	27.3	25.2	15.3	2.1
Businesses by Geography	103,688	7.6	16.5	30.9	42.9	2.0
Farms by Geography	2,373	6.4	15.8	34.2	43.3	0.3
Family Distribution by Income Level	312,268	20.4	16.6	19.5	43.4	0.0
Household Distribution by Income Level	494,220	23.5	16.2	17.1	43.1	0.0
Median Family Income - Kansas City, MO-KS MSA	\$72,623	Median Housing Value				\$172,565
		Median Gross Rent				\$873
		Families Below Poverty Level				8.9%

Source: 2015 ACS and 2020 D&B Data
Due to rounding, totals may not equal 100.0 percent.
(*) The NA category consists of geographies that have not been assigned an income classification.

The Geographic Distribution criterion compares home mortgage loans to the distribution of owner-occupied housing units and compares small business loans to the percentage of businesses located in low-, moderate-, middle-, and upper-income tracts. The 2015 ACS data shows a majority of owner-occupied housing units and businesses are within the middle- and upper-income tracts, indicating most of the lending opportunities will be in these geographies. The moderate-income tracts contain a fair level of owner-occupied housing units and businesses, while significantly fewer opportunities are indicated in the low-income tracts.

The FFIEC updated Kansas City, MO-KS Multi-state MSA MFIs were used to analyze home mortgage loans under the Borrower Profile criterion. The following table presents each income category.

Kansas City MSA – Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
2019 (\$82,400)	<\$41,200	\$41,200 to <\$65,920	\$65,920 to <\$98,880	≥\$98,880
2020 (\$85,900)	<\$42,950	\$42,950 to <\$68,720	\$68,720 to <\$103,080	≥\$103,080
2021 (\$86,300)	<\$43,150	\$43,150 to <\$69,040	\$69,040 to <\$103,560	≥\$103,560

Source: FFIEC

The analysis of home mortgage lending by borrower income uses families by income level as a comparison to bank performance. The median housing value is \$172,565, and prices are continuing to rise due to the current economic conditions, which can potentially make housing increasingly

unaffordable for low-income individuals. Therefore, lending opportunities to low-income families may be limited.

The analysis of small business loans under the Borrower Profile criterion compares the distribution of small business lending by gross annual revenue. The D&B 2020 distribution of businesses based on gross annual revenues is listed below.

- 83.3 percent reported \$1 million or less;
- 6.0 percent reported more than \$1 million; and
- 10.7 percent did not report revenues.

In 2020, the top industries in the assessment area were Services; Retail Trade; Finance, Insurance, and Real Estate; and, Construction. A total of 87.3 percent of businesses in the assessment area had fewer than 10 employees. Top employers in the assessment area during the evaluation period included Fort Riley, Spirit AeroSystems, The University of Kansas, and Textron Aviation, all with over 1,000 employees.

Unemployment rates increased sharply in 2020 due to the COVID-19 pandemic. Unemployment rates dropped significantly in 2021; however, the Jackson County, MO rate remained above the pre-pandemic rate and is above the state and national average.

Unemployment Rates			
Area	2019	2020	2021
	%	%	%
Johnson County, KS	2.7	4.9	2.7
Jackson County, MO	3.5	7.3	5.5
Kansas	3.1	5.7	3.3
Missouri	3.1	6.1	4.4
National Average	3.7	8.1	5.2
<i>Source: Bureau of Labor Statistics</i>			

Competition

The assessment area is highly competitive. According to the FDIC Deposit Market Share data as of June 30, 2021, 82 FDIC-insured institutions operate 413 branches within the assessment area. Of these institutions, First-Citizens Bank ranked 35th with a market share of 0.2 percent. Competitor institutions in the assessment area include UMB Bank, Commerce Bank, and Bank of America, NA. Together, the three competitor institutions account for 51.6 percent of the market share.

There is a high level of competition for small business loans within the assessment area. Aggregate data for 2020 shows 203 lenders reported 34,759 small business loans originated or purchased in the assessment area. Overall, First-Citizens Bank ranked 33rd with a 0.6 percent market share by number of loans and 21st with a 1.3 percent market share by dollar volume. The five dominant small business lenders accounted for 40.2 percent of the total market share by number.

There is a high level of competition for home mortgage loans among banks, credit unions, and non-depository mortgage lenders. Aggregate data for 2020 shows 593 lenders reported 84,233 residential mortgage loans originated or purchased in the assessment area. First-Citizens Bank ranked 402nd with a market share of less than 0.1 percent. The five dominant home mortgage lenders accounted for 23.6 percent of total market share by number.

Credit and Community Development Needs and Opportunities

A review of demographic and economic data indicates the need for home mortgage and small business loans. In particular there is a need for affordable housing for low- and moderate-income families as housing prices have risen. Examiners also determined the need for small business loans, which is based on the high number of businesses with four or fewer employees and a majority of businesses reporting gross annual revenues of \$1 million or less.

SCOPE OF EVALUATION – KANSAS CITY, MO-KS MULTI-STATE MSA

Examiners conducted a full-scope review of the bank’s performance in the Kansas City MSA. Small business and home mortgage loans were reviewed. Small business lending accounts for 97.8 percent by number of loans and 94.1 percent by dollar volume. While home mortgage loans were reviewed, the level of loans was low with only 11 loans originated across the evaluation period. Therefore, the analysis of home mortgage loans did not provide meaningful conclusions and is not presented. Small farm loans were not reviewed as the bank did not originate any within the assessment area during the review period. Therefore, the conclusions, analysis, and ratings are based upon small business lending performance.

CONCLUSIONS ON PERFORMANCE CRITERIA IN KANSAS CITY MO-KS MULTI-STATE MSA

LENDING TEST

The Lending Test is rated High Satisfactory. Lending levels in the Kansas City MSA assessment area reflect adequate responsiveness to assessment area credit needs. The geographic distribution reflects adequate penetration throughout the assessment area, and the borrower profile reflects good distribution of small business loans among businesses of different sizes. The institution uses innovative and/or flexible lending practices and originated a relatively high level of community development loans.

Lending Activity

Lending levels reflect adequate responsiveness to the assessment area’s credit needs. The tables presented below detail the number and dollar volume of 2020 small business loans in this assessment area.

Geographic Distribution

The geographic distribution of loans is adequate.

Small Business Loans

The geographic distribution of small business loans reflects adequate penetration throughout the assessment area. Lending in low-income tracts was consistent with demographic data and aggregate data, while lending in moderate-income tracts was just below demographic and aggregate data.

Geographic Distribution of Small Business Loans Kansas City MSA Assessment Area						
Tract Income Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
Low	7.6	6.6	17	7.2	3,438	8.5
Moderate	16.5	15.3	32	13.5	6,488	16.1
Middle	30.9	28.5	59	24.9	8,684	21.6
Upper	42.9	47.1	120	50.6	20,390	50.7
Not Available	2.0	2.4	9	3.8	1,250	3.1
Totals	100.0	100.0	237	100.0	40,250	100.0
<i>Source: 2015 ACS; 2020 CRA Data; and, 2020 CRA Aggregate Data. Due to rounding, totals may not equal 100.0 percent.</i>						

Borrower Profile

The distribution of small business loans to businesses of different sizes is good.

Small Business Loans

The distribution of small business loans reflects good penetration to businesses with gross annual revenues of \$1 million or less. Lending to small businesses was significantly below demographic data but exceeded aggregate lending data.

Distribution of Small Business Loans by Gross Annual Revenue Category Kansas City MSA Assessment Area						
Gross Revenue Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
<=\$1,000,000	83.3	37.7	97	40.9	13,549	33.7
>\$1,000,000	6.0	--	85	35.9	17,529	43.6
Revenue Not Available	10.7	--	55	23.2	9,172	22.8
Totals	100.0	100.0	237	100.0	40,250	100.0
<i>Source: 2020 D&B Data; 2020 CRA Data; and, 2020 CRA Aggregate Data. "--" data not available. Due to rounding, totals may not equal 100.0 percent</i>						

Community Development Loans

First-Citizens Bank originated a relatively high level of community development loans in the Kansas City MSA. During this evaluation period, the bank originated six community development loans totaling \$5.9 million. This represents 1.1 percent by number and 0.7 percent by dollar volume of total bank-wide community development loans. Regarding the community development purpose, two loans supported affordable housing, three loans supported community services, and one loan supported revitalization or stabilization. Examples of community development loans follow.

- \$4.4 million to construct a warehouse located in a low-income census tract to revitalize and stabilize the geography.
- \$400,000 to a non-profit organization that provides affordable housing within a low-income census tract.

INVESTMENT TEST

The Investment Test is rated Low Satisfactory. First-Citizens Bank has an adequate level of qualified investments in the assessment area. The bank exhibits good responsiveness to credit and community development needs and occasionally uses innovative and/or complex investments to support community development initiatives.

Investment and Grant Activity

The bank has an adequate level of qualified investments. Qualified investments total \$4.0 million or 0.6 percent of bank-wide qualified investments. Investments include two prior period GNMA MBS supporting affordable housing totaling \$3.9 million, two SBA pools supporting economic development and small businesses totaling \$79,905, and nine donations totaling \$11,000. Of these contributions, \$7,500 benefited affordable housing, \$2,000 benefited community services, and \$1,500 benefited economic development. Provided below are examples of donations that benefited the assessment area.

- \$7,500 to a non-profit organization that collaborates with local businesses and key local stakeholders to build affordable housing for low- and moderate-income individuals and families.
- \$1,000 to a non-profit organization that provides economic development opportunities for and support to small businesses.

SERVICE TEST

The Service Test is rated High Satisfactory in the Kansas City MSA assessment area. First-Citizens Bank's delivery systems are reasonably accessible to all portions of the Kansas City MSA assessment area. The institution did not open or close any branches in the Kansas City MSA assessment area during the evaluation period; thus, no adverse impact is noted to the accessibility of its delivery systems. Services and business hours do not vary in a way that inconveniences certain portions of the assessment area, particularly low- and moderate-income geographies, or individuals. The bank provided a relatively high level of community development services.

Accessibility of Delivery Systems

Delivery systems are reasonably accessible to essentially all portions of the assessment area. The conclusions regarding the accessibility of delivery systems for the assessment area are less favorable than the institution overall. The bank operates no branches in low- or moderate-income tracts. However, one branch is located within a mile of the low- and moderate-income tracts and can reasonably provide access to banking services. There are no ATMs in the assessment area.

Branch Distribution by Geography Income Level Kansas City MSA Assessment Area						
Tract Income Level	Census Tracts		Population		Branches	
	#	%	#	%	#	%
Low	51	15.5	123,280	9.9	0	0.0
Moderate	66	20.1	248,713	19.9	0	0.0
Middle	96	29.2	400,593	32.1	0	0.0
Upper	106	32.2	471,066	37.8	2	100.0
NA	10	3.0	4,067	0.3	0	0.0
Total	329	100.0	1,247,719	100.0	2	100.0
<i>Source: 2015 ACS Data and Bank Data</i>						

Community Development Services

First-Citizens Bank provided a relatively high level of community development services in the assessment area. Bank employees and Board members provided 17 instances for 146 hours of community development service. These services equate to 2.7 instances and 24.3 hours of community development service per branch per year. This performance accounts for 0.6 percent of the bank-wide community development services by number of hours. The level of community development services is above the percentage of branches within the assessment area at 0.4 percent bank-wide. The bank engaged in 10 instances of community development service at the previous evaluation. The following are examples of community development services provided.

- An employee serves on the Advisory Board of a non-profit organization that serves homeless mothers and their children through resident housing services, residential clinical services, aftercare, and permanent housing.
- An employee serves on the Board and Executive Committee of a county-level economic development council, whose goals are to attract new business and industry; retain and expand existing business and industry; and, promote a positive economic development climate.
- An employee provided financial counseling for clients of a non-profit organization serving homeless individuals through programs that move clients from homelessness to self-sufficiency.

APPENDICES

LARGE BANK PERFORMANCE CRITERIA

Lending Test

The Lending Test evaluates the bank's record of helping to meet the credit needs of its assessment area(s) through its lending activities by considering a bank's home mortgage, small business, small farm, and community development lending. If consumer lending constitutes a substantial majority of a bank's business, the FDIC will evaluate the bank's consumer lending in one or more of the following categories: motor vehicle, credit card, other secured, and other unsecured. The bank's lending performance is evaluated pursuant to the following criteria:

- 1) The number and amount of the bank's home mortgage, small business, small farm, and consumer loans, if applicable, in the bank's assessment area;
- 2) The geographic distribution of the bank's home mortgage, small business, small farm, and consumer loans, if applicable, based on the loan location, including:
 - i. The proportion of the bank's lending in the bank's assessment area(s);
 - ii. The dispersion of lending in the bank's assessment areas(s); and
 - iii. The number and amount of loans in low-, moderate-, middle- and upper-income geographies in the bank's assessment area(s);
- 3) The distribution, particularly in the bank's assessment area(s), of the bank's home mortgage, small business, small farm, and consumer loans, if applicable, based on borrower characteristics, including the number and amount of:
 - i. Home mortgage loans low-, moderate-, middle- and upper-income individuals
 - ii. Small business and small farm loans to businesses and farms with gross annual revenues of \$1 million or less;
 - iii. Small business and small farm loans by loan amount at origination; and
 - iv. Consumer loans, if applicable, to low-, moderate-, middle- and upper-income individuals;
- 4) The bank's community development lending, including the number and amount of community development loans, and their complexity and innovativeness; and
- 5) The bank's use of innovative or flexible lending practices in a safe and sound manner to address the credit needs of low- and moderate-income individuals or geographies.

Investment Test

The Investment Test evaluates the institution's record of helping to meet the credit needs of its assessment area(s) through qualified investments that benefit its assessment area(s) or a broader statewide or regional area that includes the bank's assessment area(s). Activities considered under the Lending or Service Test may not be considered under the investment test. The bank's investment performance is evaluated pursuant to the following criteria:

- 1) The dollar amount of qualified investments;
- 2) The innovativeness or complexity of qualified investments;
- 3) The responsiveness of qualified investments to available opportunities; and
- 4) The degree to which qualified investments are not routinely provided by private investors.

Service Test

The Service Test evaluates the bank's record of helping to meet the credit needs of its assessment area(s) by analyzing both the availability and effectiveness of the bank's systems for delivering retail banking services and the extent and innovativeness of its community development services.

The bank's retail banking services are evaluated pursuant to the following criteria:

- 1) The current distribution of the bank's branches among low-, moderate-, middle-, and upper-income geographies;
- 2) In the context of its current distribution of the bank's branches, the bank's record of opening and closing branches, particularly branches located in low- or moderate-income geographies or primarily serving low- or moderate-income individuals;
- 3) The availability and effectiveness of alternative systems for delivering retail banking services (*e.g.*, RSFs, RSFs not owned or operated by or exclusively for the bank, banking by telephone or computer, loan production offices, and bank-at-work or bank-by-mail programs) in low- and moderate-income geographies and to low- and moderate-income individuals; and
- 4) The range of services provided in low-, moderate-, middle-, and upper-income geographies and the degree to which the services are tailored to meet the needs of those geographies.

The bank's community development services are evaluated pursuant to the following criteria:

- 1) The extent to which the bank provides community development services; and
- 2) The innovativeness and responsiveness of community development services.

SUMMARY OF RATINGS FOR RATED AREAS

Rated Area	Lending Test	Investment Test	Service Test	Rating
North Carolina	High Satisfactory	Low Satisfactory	High Satisfactory	Satisfactory
South Carolina	High Satisfactory	Low Satisfactory	High Satisfactory	Satisfactory
Virginia	High Satisfactory	Low Satisfactory	High Satisfactory	Satisfactory
California	High Satisfactory	High Satisfactory	High Satisfactory	Satisfactory
Florida	High Satisfactory	High Satisfactory	High Satisfactory	Satisfactory
Georgia	High Satisfactory	High Satisfactory	Low Satisfactory	Satisfactory
Washington	Low Satisfactory	Low Satisfactory	High Satisfactory	Satisfactory
Texas	Low Satisfactory	High Satisfactory	Low Satisfactory	Satisfactory
Wisconsin	High Satisfactory	High Satisfactory	Low Satisfactory	Satisfactory
Arizona	Low Satisfactory	High Satisfactory	High Satisfactory	Satisfactory
Tennessee	Low Satisfactory	High Satisfactory	Low Satisfactory	Satisfactory
Colorado	Low Satisfactory	Outstanding	High Satisfactory	Satisfactory
New Mexico	Needs to Improve	High Satisfactory	High Satisfactory	Needs to Improve
Oklahoma	Low Satisfactory	Outstanding	Low Satisfactory	Satisfactory
West Virginia	High Satisfactory	Substantial Noncompliance	High Satisfactory	Satisfactory
Maryland	High Satisfactory	High Satisfactory	Low Satisfactory	Satisfactory
Charlotte-Concord-Gastonia NC-SC Multi-State MSA	High Satisfactory	High Satisfactory	High Satisfactory	Satisfactory
Myrtle Beach-Conway-North Myrtle NC-SC Multi-State MSA	Low Satisfactory	High Satisfactory	High Satisfactory	Satisfactory
Augusta-Richmond County GA-SC Multi-State MSA	High Satisfactory	Needs to Improve	High Satisfactory	Satisfactory
Portland-Vancouver-Hillsboro OR-WA Multi-State MSA	Low Satisfactory	Low Satisfactory	Needs to Improve	Needs to Improve
Kansas City KS-MO Multi-State MSA	High Satisfactory	Low Satisfactory	High Satisfactory	Satisfactory

DESCRIPTION OF LIMITED-SCOPE ASSESSMENT AREAS

Demographic Tables and Market Share Information for Limited-Scope Assessment Areas

NORTH CAROLINA

Wilmington MSA Assessment Area

Demographic Information for the Wilmington MSA Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	61	14.8	18.0	29.5	32.8	4.9
Population by Geography	268,257	13.2	17.0	40.1	29.7	0.0
Housing Units by Geography	131,212	12.6	15.5	37.6	34.3	0.0
Owner-Occupied Units by Geography	66,128	4.9	14.4	44.4	36.3	0.0
Occupied Rental Units by Geography	42,405	25.8	18.8	34.0	21.5	0.0
Vacant Units by Geography	22,679	10.6	12.3	24.5	52.6	0.0
Businesses by Geography	30,254	12.4	11.5	34.6	41.2	0.3
Farms by Geography	821	8.4	23.4	37.5	30.6	0.1
Family Distribution by Income Level	65,424	22.7	17.6	18.4	41.3	0.0
Household Distribution by Income Level	108,533	25.1	15.5	17.5	41.9	0.0
Median Family Income - Wilmington, NC MSA	\$64,357	Median Housing Value				\$222,834
		Median Gross Rent				\$917
		Families Below Poverty Level				11.7%
<i>Source: 2015 ACS and 2020 D&B Data Due to rounding, totals may not equal 100.0 percent. (*) The NA category consists of geographies that have not been assigned an income classification.</i>						

The Wilmington MSA assessment area is highly competitive. According to the FDIC Deposit Market Share data as of June 30, 2021, 21 FDIC-insured institutions operate 64 branches within the assessment area. Of these institutions, First-Citizens Bank ranked 4th with a market share of 8.1 percent. Competitor institutions in the assessment area include Live Oak Banking Company, Truist Bank, and Wells Fargo Bank, NA. Together, the three competitor institutions account for 70.2 percent of the market share.

There is a high level of competition for small business loans within the assessment area. Aggregate data for 2020 shows 117 lenders reported 10,240 small business loans originated or purchased in the assessment area. Overall, First-Citizens Bank ranked 4th with an 8.2 percent market share by number of loans and 1st with a 17.7 percent market share by dollar volume. The five dominant small business lenders accounted for 47.3 percent of the total market share by number.

There is a high level of competition for home mortgage loans among banks, credit unions, and non-depository mortgage lenders. Aggregate data for 2020 shows 465 lenders reported 21,612

residential mortgage loans originated or purchased in the assessment area. First-Citizens Bank ranked 10th with a market share of 2.6 percent. The five dominant home mortgage lenders accounted for 24.5 percent of total market share by number.

Greensboro MSA Assessment Area

Demographic Information for the Greensboro MSA Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	168	6.5	26.2	38.7	28.0	0.6
Population by Geography	741,433	5.7	23.3	42.8	28.1	0.0
Housing Units by Geography	326,899	5.7	23.7	42.9	27.6	0.0
Owner-Occupied Units by Geography	184,429	2.7	17.2	45.8	34.3	0.0
Occupied Rental Units by Geography	107,201	10.2	32.7	38.2	18.8	0.0
Vacant Units by Geography	35,269	8.2	30.5	42.1	19.2	0.0
Businesses by Geography	66,223	4.1	21.6	36.2	37.9	0.2
Farms by Geography	2,006	1.7	13.7	51.8	32.7	0.0
Family Distribution by Income Level	189,747	21.7	18.3	18.4	41.7	0.0
Household Distribution by Income Level	291,630	23.4	16.6	17.4	42.6	0.0
Median Family Income - Greensboro-High Point, NC MSA		\$55,218	Median Housing Value			\$145,143
			Median Gross Rent			\$747
			Families Below Poverty Level			13.3%

*Source: 2015 ACS and 2020 D&B Data
Due to rounding, totals may not equal 100.0 percent
(*) The NA category consists of geographies that have not been assigned an income classification.*

The Greensboro MSA assessment area is highly competitive. According to the FDIC Deposit Market Share data as of June 30, 2021, 24 FDIC-insured institutions operate 157 branches within the assessment area. Of these institutions, First-Citizens Bank ranked 5th with a market share of 6.0 percent. Competitor institutions in the assessment area include Truist Bank, Wells Fargo Bank, NA, and Bank of America, NA. Together, the three competitor institutions account for 56.6 percent of the market share.

There is a high level of competition for small business loans within the assessment area. Aggregate data for 2020 shows 137 lenders reported 17,979 small business loans originated or purchased in the assessment area. Overall, First-Citizens Bank ranked 7th with a 4.8 percent market share by number of loans and 3rd with an 8.8 percent market share by dollar volume. The five dominant small business lenders accounted for 48.9 percent of the total market share by number.

There is a high level of competition for home mortgage loans among banks, credit unions, and non-depository mortgage lenders. Aggregate data for 2020 shows 504 lenders reported 31,501 residential mortgage loans originated or purchased in the assessment area. First-Citizens Bank

ranked 10th with a market share of 2.0 percent. The five dominant home mortgage lenders accounted for 32.6 percent of total market share by number.

Hickory MSA Assessment Area

Demographic Information for the Hickory MSA Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	73	0.0	13.7	68.5	17.8	0.0
Population by Geography	363,074	0.0	12.9	67.4	19.7	0.0
Housing Units by Geography	162,341	0.0	13.4	66.4	20.2	0.0
Owner-Occupied Units by Geography	97,673	0.0	10.5	67.5	22.0	0.0
Occupied Rental Units by Geography	40,295	0.0	19.9	64.8	15.3	0.0
Vacant Units by Geography	24,373	0.0	14.0	64.6	21.4	0.0
Businesses by Geography	22,777	0.0	14.7	58.3	27.0	0.0
Farms by Geography	850	0.0	9.9	67.3	22.8	0.0
Family Distribution by Income Level	92,771	20.8	17.8	21.1	40.3	0.0
Household Distribution by Income Level	137,968	23.5	16.6	18.0	42.0	0.0
Median Family Income - Hickory-Lenoir-Morganton, NC MSA		\$51,281	Median Housing Value			\$127,437
			Median Gross Rent			\$633
			Families Below Poverty Level			13.2%

*Source: 2015 ACS and 2020 D&B Data
Due to rounding, totals may not equal 100.0 percent
(* The NA category consists of geographies that have not been assigned an income classification.*

The Hickory MSA assessment area is moderately competitive. According to the FDIC Deposit Market Share data as of June 30, 2021, 16 FDIC-insured institutions operate 66 branches within the assessment area. Of these institutions, First-Citizens Bank ranked 2nd with a market share of 16.7 percent. Competitor institutions in the assessment area include Truist Bank, Wells Fargo Bank, NA, and Peoples Bank. Together, the three competitor institutions account for 57.2 percent of the market share.

There is a high level of competition for small business loans within the assessment area. Aggregate data for 2020 shows 105 lenders reported 6,413 small business loans originated or purchased in the assessment area. Overall, First-Citizens Bank ranked 2nd with a 12.4 percent market share by number of loans and 2nd with a 21.4 percent market share by dollar volume. The five dominant small business lenders accounted for 57.1 percent of the total market share by number.

There is a high level of competition for home mortgage loans among banks, credit unions, and non-depository mortgage lenders. Aggregate data for 2020 shows 398 lenders reported 14,365 residential mortgage loans originated or purchased in the assessment area. First-Citizens Bank ranked 6th with a market share of 3.3 percent. The five dominant home mortgage lenders accounted for 36.6 percent of total market share by number.

Fayetteville MSA Assessment Area

Demographic Information for the Fayetteville MSA Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	95	2.1	18.9	61.1	13.7	4.2
Population by Geography	448,923	1.1	14.2	65.7	18.1	0.8
Housing Units by Geography	190,795	1.3	14.7	67.7	16.3	0.0
Owner-Occupied Units by Geography	92,632	0.5	9.7	66.7	23.1	0.0
Occupied Rental Units by Geography	72,683	2.2	20.3	68.7	8.8	0.0
Vacant Units by Geography	25,480	1.7	17.1	68.4	12.9	0.0
Businesses by Geography	28,559	1.8	16.9	60.5	20.7	0.1
Farms by Geography	862	0.5	8.0	66.8	24.7	0.0
Family Distribution by Income Level	111,142	20.3	17.1	19.4	43.2	0.0
Household Distribution by Income Level	165,315	21.4	16.5	18.1	44.0	0.0
Median Family Income - Fayetteville, NC MSA		\$52,485	Median Housing Value			\$129,674
			Median Gross Rent			\$867
			Families Below Poverty Level			14.3%
<i>Source: 2015 ACS and 2020 D&B Data</i> <i>Due to rounding, totals may not equal 100.0 percent.</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

The Fayetteville MSA assessment area is highly competitive. According to the FDIC Deposit Market Share data as of June 30, 2021, 17 FDIC-insured institutions operate 77 branches within the assessment area. Of these institutions, First-Citizens Bank ranked 2nd with a market share of 18.1 percent. Competitor institutions in the assessment area include Truist Bank, Bank of America, NA, and Wells Fargo Bank, NA. Together, the three competitor institutions account for 54.3 percent of the market share.

There is a high level of competition for small business loans within the assessment area. Aggregate data for 2020 shows 106 lenders reported 7,201 small business loans originated or purchased in the assessment area. Overall, First-Citizens Bank ranked 3rd with an 8.2 percent market share by number of loans and 2nd with a 19.1 percent market share by dollar volume. The five dominant small business lenders accounted for 48.3 percent of the total market share by number.

There is a high level of competition for home mortgage loans among banks, credit unions, and non-depository mortgage lenders. Aggregate data for 2020 shows 426 lenders reported 23,436 residential mortgage loans originated or purchased in the assessment area. First-Citizens Bank ranked 19th with a market share of 1.3 percent. The five dominant home mortgage lenders accounted for 32.3 percent of total market share by number.

Goldsboro MSA Assessment Area

Demographic Information for the Goldsboro MSA Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	26	0.0	38.5	50.0	11.5	0.0
Population by Geography	124,355	0.0	31.6	56.0	12.4	0.0
Housing Units by Geography	53,141	0.0	34.8	53.8	11.4	0.0
Owner-Occupied Units by Geography	28,479	0.0	26.7	56.0	17.3	0.0
Occupied Rental Units by Geography	19,051	0.0	42.8	52.2	5.1	0.0
Vacant Units by Geography	5,611	0.0	48.7	48.0	3.3	0.0
Businesses by Geography	6,824	0.0	34.9	53.1	11.9	0.0
Farms by Geography	397	0.0	17.1	64.2	18.6	0.0
Family Distribution by Income Level	31,600	22.8	17.9	19.4	39.9	0.0
Household Distribution by Income Level	47,530	23.8	16.9	16.3	42.9	0.0
Median Family Income - Goldsboro, NC MSA		\$50,552	Median Housing Value			\$110,634
			Median Gross Rent			\$710
			Families Below Poverty Level			16.7%
<i>Source: 2015 ACS and 2020 D&B Data</i> <i>Due to rounding, totals may not equal 100.0 percent</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

The Goldsboro MSA assessment area is moderately competitive. According to the FDIC Deposit Market Share data as of June 30, 2021, 10 FDIC-insured institutions operate 24 branches within the assessment area. Of these institutions, First-Citizens Bank ranked 4th with a market share of 10.2 percent. Competitor institutions in the assessment area include Truist Bank, Wells Fargo NA, and Southern Bank and Trust. Together, the three competitor institutions account for 71.0 percent of the market share.

There is a moderate level of competition for small business loans within the assessment area. Aggregate data for 2020 shows 59 lenders reported 1,685 small business loans originated or purchased in the assessment area. Overall, First-Citizens Bank ranked 2nd with an 11.3 percent market share by number of loans and 2nd with a 23.6 percent market share by dollar volume. The five dominant small business lenders accounted for 61.4 percent of the total market share by number.

There is a high level of competition for home mortgage loans among banks, credit unions, and non-depository mortgage lenders. Aggregate data for 2020 shows 238 lenders reported 3,797 residential mortgage loans originated or purchased in the assessment area. First-Citizens Bank ranked 11th with a market share of 1.8 percent. The five dominant home mortgage lenders accounted for 42.2 percent of total market share by number.

Greenville MSA Assessment Area

Demographic Information for the Greenville MSA Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	32	12.5	25.0	34.4	28.1	0.0
Population by Geography	173,798	10.8	22.5	38.5	28.3	0.0
Housing Units by Geography	76,269	12.5	22.7	38.7	26.0	0.0
Owner-Occupied Units by Geography	35,626	4.5	19.5	40.3	35.7	0.0
Occupied Rental Units by Geography	31,876	20.3	26.4	36.7	16.6	0.0
Vacant Units by Geography	8,767	17.1	22.6	39.7	20.6	0.0
Businesses by Geography	12,132	16.6	16.3	36.8	30.2	0.0
Farms by Geography	413	4.4	16.0	43.6	36.1	0.0
Family Distribution by Income Level	40,239	24.2	16.2	17.5	42.1	0.0
Household Distribution by Income Level	67,502	26.5	15.4	15.8	42.3	0.0
Median Family Income - Greenville, NC MSA		\$56,239	Median Housing Value			\$128,235
			Median Gross Rent			\$737
			Families Below Poverty Level			16.1%
<i>Source: 2015 ACS and 2020 D&B Data</i> <i>Due to rounding, totals may not equal 100.0 percent.</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

The Greenville MSA assessment area is moderately competitive. According to the FDIC Deposit Market Share data as of June 30, 2021, 14 FDIC-insured institutions operate 35 branches within the assessment area. Of these institutions, First-Citizens Bank ranked 3rd with a market share of 14.2 percent. Competitor institutions in the assessment area include Truist Bank, Wells Fargo Bank, NA, and, Bank of America, NA. Together the three competitor institutions account for 47.2 percent of the market share.

There is a high level of competition for small business loans within the assessment area. Aggregate data for 2020 shows 73 lenders reported 3,445 small business loans originated or purchased in the assessment area. Overall, First-Citizens Bank ranked 2nd with an 11.6 percent market share by number of loans and 1st with a 24.1 percent market share by dollar volume. The five dominant small business lenders accounted for 53.7 percent of the total market share by number.

There is a high level of competition for home mortgage loans among banks, credit unions, and non-depository mortgage lenders. Aggregate data for 2020 shows 273 lenders reported 6,856 residential mortgage loans originated or purchased in the assessment area. First-Citizens Bank ranked 9th with a market share of 2.8 percent. The five dominant home mortgage lenders accounted for 37.9 percent of total market share by number.

Jacksonville MSA Assessment Area

Demographic Information for the Jacksonville MSA Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	32	0.0	18.8	56.3	15.6	9.4
Population by Geography	183,753	0.0	12.0	68.5	15.0	4.4
Housing Units by Geography	74,206	0.0	10.9	70.1	18.9	0.0
Owner-Occupied Units by Geography	33,428	0.0	3.8	76.3	19.9	0.0
Occupied Rental Units by Geography	28,757	0.0	20.4	67.6	12.0	0.0
Vacant Units by Geography	12,021	0.0	8.0	59.1	33.0	0.0
Businesses by Geography	9,664	0.0	11.7	68.2	19.3	0.8
Farms by Geography	380	0.0	7.1	75.5	17.4	0.0
Family Distribution by Income Level	44,838	18.2	18.6	23.9	39.3	0.0
Household Distribution by Income Level	62,185	21.1	17.6	21.6	39.7	0.0
Median Family Income - Jacksonville, NC MSA	\$51,012	Median Housing Value			\$153,933	
			Median Gross Rent			\$950
			Families Below Poverty Level			11.9%
<i>Source: 2015 ACS and 2020 D&B Data</i> <i>Due to rounding, totals may not equal 100.0 percent.</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

The Jacksonville MSA assessment area is moderately competitive. According to the FDIC Deposit Market Share data as of June 30, 2021, 11 FDIC-insured institutions operate 23 branches within the assessment area. Of these institutions, First-Citizens Bank ranked 1st with a market share of 32.6 percent. Competitor institutions in the assessment area include Truist Bank, Bank of America, NA, and, First Bank. Together, the three competitor institutions account for 37.3 percent of the market share.

There is a high level of competition for small business loans within the assessment area. Aggregate data for 2020 shows 76 lenders reported 2,784 small business loans originated or purchased in the assessment area. Overall, First-Citizens Bank ranked 2nd with a 13.5 percent market share by number of loans and 1st with a 30.1 percent market share by dollar volume. The five dominant small business lenders accounted for 55.0 percent of the total market share by number.

There is a high level of competition for home mortgage loans among banks, credit unions, and non-depository mortgage lenders. Aggregate data for 2020 shows 339 lenders reported 12,812 residential mortgage loans originated or purchased in the assessment area. First-Citizens Bank ranked 23rd with a market share of 0.9 percent. The five dominant home mortgage lenders accounted for 37.7 percent of total market share by number.

New Bern MSA Assessment Area

Demographic Information for the New Bern MSA Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	26	7.7	11.5	53.8	23.1	3.8
Population by Geography	117,432	4.8	13.4	52.6	29.2	0.0
Housing Units by Geography	53,314	5.6	13.2	53.7	27.5	0.0
Owner-Occupied Units by Geography	29,102	2.3	10.8	52.8	34.0	0.0
Occupied Rental Units by Geography	16,266	9.6	16.0	56.0	18.3	0.0
Vacant Units by Geography	7,946	9.1	16.3	52.3	22.2	0.0
Businesses by Geography	7,879	8.7	7.6	53.2	30.4	0.0
Farms by Geography	346	2.0	14.7	50.9	32.4	0.0
Family Distribution by Income Level	31,180	19.2	19.3	19.4	42.1	0.0
Household Distribution by Income Level	45,368	22.0	15.8	19.8	42.4	0.0
Median Family Income - New Bern, NC MSA		\$55,158	Median Housing Value			\$150,397
			Median Gross Rent			\$885
			Families Below Poverty Level			10.7%
<i>Source: 2015 ACS and 2020 D&B Data</i> <i>Due to rounding, totals may not equal 100.0 percent.</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

The New Bern MSA assessment area is moderately competitive. According to the FDIC Deposit Market Share data as of June 30, 2021, 8 FDIC-insured institutions operate 21 branches within the assessment area. Of these institutions, First-Citizens Bank ranked 2nd with a market share of 30.7 percent. Competitor institutions in the assessment area include Truist Bank, Wells Fargo Bank, NA, and, Bank of America, NA. Together, the three competitor institutions account for 60.4 percent of the market share.

There is a moderate level of competition for small business loans within the assessment area. Aggregate data for 2020 shows 68 lenders reported 2,058 small business loans originated or purchased in the assessment area. Overall, First-Citizens Bank ranked 2nd with a 15.9 percent market share by number of loans and 2nd with a 28.9 percent market share by dollar volume. The five dominant small business lenders accounted for 66.5 percent of the total market share by number.

There is a high level of competition for home mortgage loans among banks, credit unions, and non-depository mortgage lenders. Aggregate data for 2020 shows 287 lenders reported 5,647 residential mortgage loans originated or purchased in the assessment area. First-Citizens Bank ranked 8th with a market share of 5.3 percent. The five dominant home mortgage lenders accounted for 31.2 percent of total market share by number.

Rocky Mount MSA Assessment Area

Demographic Information for the Rocky Mount MSA Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	18	0.0	5.6	66.7	27.8	0.0
Population by Geography	94,722	0.0	5.6	63.8	30.7	0.0
Housing Units by Geography	42,387	0.0	6.0	66.5	27.5	0.0
Owner-Occupied Units by Geography	23,632	0.0	2.7	61.3	36.0	0.0
Occupied Rental Units by Geography	13,079	0.0	9.5	74.1	16.4	0.0
Vacant Units by Geography	5,676	0.0	11.7	70.8	17.4	0.0
Businesses by Geography	6,470	0.0	3.9	69.1	27.0	0.0
Farms by Geography	341	0.0	0.3	70.7	29.0	0.0
Family Distribution by Income Level	23,890	18.9	15.4	20.5	45.2	0.0
Household Distribution by Income Level	36,711	22.5	14.9	16.9	45.6	0.0
Median Family Income - Rocky Mount, NC MSA	\$48,812	Median Housing Value				\$119,479
		Median Gross Rent				\$702
		Families Below Poverty Level				13.4%
<i>Source: 2015 ACS and 2020 D&B Data</i> <i>Due to rounding, totals may not equal 100.0 percent</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

The Rocky Mount MSA assessment area is moderately competitive. According to the FDIC Deposit Market Share data as of June 30, 2021, 10 FDIC-insured institutions operate 25 branches within the assessment area. Of these institutions, First-Citizens Bank ranked 7th with a market share of 4.9 percent. Competitor institutions in the assessment area include Southern Bank and Trust, First Carolina Bank, and Truist Bank. Together, the three competitor institutions account for 56.6 percent of the market share.

There is a moderate level of competition for small business loans within the assessment area. Aggregate data for 2020 shows 67 lenders reported 1,729 small business loans originated or purchased in the assessment area. Overall, First-Citizens Bank ranked 9th with a 2.7 percent market share by number of loans and 6th with a 3.3 percent market share by dollar volume. The five dominant small business lenders accounted for 58.2 percent of the total market share by number.

There is a higher level of competition for home mortgage loans among banks, credit unions, and non-depository mortgage lenders. Aggregate data for 2020 shows 242 lenders reported 3,242 residential mortgage loans originated or purchased in the assessment area. First-Citizens Bank ranked 16th with a market share of 1.2 percent. The five dominant home mortgage lenders accounted for 40.0 percent of total market share by number.

Winston-Salem MSA Assessment Area

Demographic Information for the Winston-Salem MSA Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	109	11.9	20.2	33.0	33.0	1.8
Population by Geography	446,316	8.9	22.8	33.4	34.1	0.9
Housing Units by Geography	198,834	8.9	23.3	34.5	32.8	0.5
Owner-Occupied Units by Geography	115,301	3.8	18.7	37.3	40.2	0.1
Occupied Rental Units by Geography	62,243	17.4	29.1	30.1	22.3	1.1
Vacant Units by Geography	21,290	11.6	31.6	32.3	23.9	0.5
Businesses by Geography	33,423	5.7	17.4	32.7	43.4	0.8
Farms by Geography	1,076	1.7	21.6	40.2	36.1	0.5
Family Distribution by Income Level	114,153	23.2	16.6	18.3	42.0	0.0
Household Distribution by Income Level	177,544	24.5	16.6	16.4	42.4	0.0
Median Family Income - Winston-Salem, NC MSA	\$56,536	Median Housing Value				\$149,405
		Median Gross Rent				\$720
		Families Below Poverty Level				14.2%
<i>Source: 2015 ACS and 2020 D&B Data</i> <i>Due to rounding, totals may not equal 100.0 percent.</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

The Winston-Salem MSA assessment area is highly competitive. According to the FDIC Deposit Market Share data as of June 30, 2021, 18 FDIC-insured institutions operate 103 branches within the assessment area. Of these institutions, First-Citizens Bank ranked 3rd with a market share of 9.2 percent. Competitor institutions in the assessment area include Truist Bank, Wells Fargo Bank, NA, and First Horizon Bank. Together, the three competitor institutions account for 63.6 percent of the market share.

There is a high level of competition for small business loans within the assessment area. Aggregate data for 2020 shows 107 lenders reported 9,716 small business loans originated or purchased in the assessment area. Overall, First-Citizens Bank ranked 4th with a 6.8 percent market share by number of loans and 2nd with an 11.9 percent market share by dollar volume. The five dominant small business lenders accounted for 49.0 percent of the total market share by number.

There is a high level of competition for home mortgage loans among banks, credit unions, and non-depository mortgage lenders. Aggregate data for 2020 shows 420 lenders reported 19,405 residential mortgage loans originated or purchased in the assessment area. First-Citizens Bank ranked 10th with a market share of 2.1 percent. The five dominant home mortgage lenders accounted for 33.9 percent of total market share by number.

Virginia Beach MSA Assessment Area

Demographic Information for the Virginia Beach MSA Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	3	0.0	33.3	66.7	0.0	0.0
Population by Geography	11,724	0.0	36.9	63.1	0.0	0.0
Housing Units by Geography	5,225	0.0	39.2	60.8	0.0	0.0
Owner-Occupied Units by Geography	3,504	0.0	38.0	62.0	0.0	0.0
Occupied Rental Units by Geography	898	0.0	34.3	65.7	0.0	0.0
Vacant Units by Geography	823	0.0	49.9	50.1	0.0	0.0
Businesses by Geography	436	0.0	39.7	60.3	0.0	0.0
Farms by Geography	67	0.0	67.2	32.8	0.0	0.0
Family Distribution by Income Level	3,241	27.9	23.4	20.8	28.0	0.0
Household Distribution by Income Level	4,402	28.8	19.4	21.6	30.3	0.0
Median Family Income - Virginia Beach-Norfolk- Newport News, VA-NC MSA		\$69,773	Median Housing Value			\$139,636
			Median Gross Rent			\$788
			Families Below Poverty Level			9.6%
<i>Source: 2015 ACS and 2020 D&B Data</i> <i>Due to rounding, totals may not equal 100.0 percent.</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

The Virginia Beach MSA assessment area is modestly competitive. According to the FDIC Deposit Market Share data as of June 30, 2021, two FDIC-insured institutions operate two branches within the assessment area. Of these institutions, First-Citizens Bank ranked 2nd with a market share of 44.3 percent. The competitor institutions in the assessment area were Southern Bank and Trust with a 55.7 percent market share.

There is a modest level of competition for small business loans within the assessment area. Aggregate data for 2020 shows 27 lenders reported 106 small business loans originated or purchased in the assessment area. Overall, First-Citizens Bank ranked 1st with an 18.9 percent market share by number of loans and 2nd with a 19.2 percent market share by dollar volume. The five dominant small business lenders accounted for 54.7 percent of the total market share by number.

There is a high level of competition for home mortgage loans among banks, credit unions, and non-depository mortgage lenders. Aggregate data for 2020 shows 90 lenders reported 380 residential mortgage loans originated or purchased in the assessment area. First-Citizens Bank ranked 27th with a market share of 1.1 percent. The five dominant home mortgage lenders accounted for 31.6 percent of total market share by number.

SOUTH CAROLINA

Greenville MSA Assessment Area

Demographic Information for the Greenville MSA Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	195	7.7	27.2	40.5	24.6	0.0
Population by Geography	852,631	5.3	23.6	41.7	29.4	0.0
Housing Units by Geography	367,026	5.7	25.0	42.0	27.3	0.0
Owner-Occupied Units by Geography	220,754	3.1	20.9	43.6	32.4	0.0
Occupied Rental Units by Geography	102,937	10.3	30.7	38.7	20.3	0.0
Vacant Units by Geography	43,335	8.3	32.2	41.4	18.1	0.0
Businesses by Geography	55,531	5.9	18.4	39.2	36.5	0.0
Farms by Geography	1,552	2.5	19.5	50.0	28.0	0.0
Family Distribution by Income Level	218,963	22.9	17.1	18.8	41.2	0.0
Household Distribution by Income Level	323,691	24.9	15.9	16.7	42.4	0.0
Median Family Income - Greenville-Anderson, SC MSA		\$58,097	Median Housing Value			\$141,154
			Median Gross Rent			\$744
			Families Below Poverty Level			12.3%
<i>Source: 2015 ACS and 2020 D&B Data Due to rounding, totals may not equal 100.0 percent. (*) The NA category consists of geographies that have not been assigned an income classification.</i>						

The Greenville MSA assessment area is highly competitive. According to the FDIC Deposit Market Share data as of June 30, 2021, 34 FDIC-insured institutions operate 233 branches within the assessment area. Of these institutions, First-Citizens Bank ranked 6th with a market share of 5.9 percent. Competitor institutions in the assessment area include Truist Bank, Wells Fargo Bank, NA, and TD Bank. Together, the three competitor institutions account for 44.4 percent of the market share.

There is a high level of competition for small business loans within the assessment area. Aggregate data for 2020 shows 164 lenders reported 20,062 small business loans originated or purchased in the assessment area. Overall, First-Citizens Bank ranked 5th with a 6.1 percent market share by number of loans and 1st with an 11.0 percent market share by dollar volume. The five dominant small business lenders accounted for 46.2 percent of the total market share by number.

There is a high level of competition for home mortgage loans among banks, credit unions, and non-depository mortgage lenders. Aggregate data for 2020 shows 577 lenders reported 48,943 residential mortgage loans originated or purchased in the assessment area. First-Citizens Bank ranked 10th with a market share of 2.0 percent. The five dominant home mortgage lenders accounted for 23.1 percent of total market share by number.

Spartanburg MSA Assessment Area

Demographic Information for the Spartanburg MSA Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	69	8.7	24.6	40.6	26.1	0.0
Population by Geography	291,240	4.8	20.8	43.6	30.8	0.0
Housing Units by Geography	123,931	5.3	21.5	43.8	29.4	0.0
Owner-Occupied Units by Geography	75,378	2.3	15.6	47.1	35.1	0.0
Occupied Rental Units by Geography	34,514	10.7	31.1	38.8	19.5	0.0
Vacant Units by Geography	14,039	8.7	29.8	38.3	23.2	0.0
Businesses by Geography	17,488	2.3	20.7	41.1	35.9	0.0
Farms by Geography	518	1.2	16.8	47.3	34.7	0.0
Family Distribution by Income Level	76,454	21.0	17.4	18.9	42.7	0.0
Household Distribution by Income Level	109,892	23.6	15.6	17.3	43.5	0.0
Median Family Income - Spartanburg, SC MSA		\$53,959	Median Housing Value			\$122,515
			Median Gross Rent			\$695
			Families Below Poverty Level			13.5%
<i>Source: 2015 ACS and 2020 D&B Data</i> <i>Due to rounding, totals may not equal 100.0 percent.</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

The Spartanburg MSA assessment area is highly competitive. According to the FDIC Deposit Market Share data as of June 30, 2021, 17 FDIC-insured institutions operate 61 branches within the assessment area. Of these institutions, First-Citizens Bank ranked 2nd with a market share of 14.8 percent. Competitor institutions in the assessment area include Truist Bank, Bank of America, NA, and Wells Fargo Bank, NA. Together, the three competitor institutions account for 51.4 percent of the market share.

There is a high level of competition for small business loans within the assessment area. Aggregate data for 2020 shows 112 lenders reported 6,551 small business loans originated or purchased in the assessment area. Overall, First-Citizens Bank ranked 2nd with a 9.6 percent market share by number of loans and 3rd with a 14.1 percent market share by dollar volume. The five dominant small business lenders accounted for 47.1 percent of the total market share by number.

There is a high level of competition for home mortgage loans among banks, credit unions, and non-depository mortgage lenders. Aggregate data for 2020 shows 392 lenders reported 15,969 residential mortgage loans originated or purchased in the assessment area. First-Citizens Bank ranked 9th with a market share of 2.7 percent. The five dominant home mortgage lenders accounted for 24.4 percent of total market share by number.

Florence MSA Assessment Area

Demographic Information for the Florence MSA Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	49	4.1	22.4	46.9	24.5	2.0
Population by Geography	206,252	2.9	20.3	49.3	27.5	0.0
Housing Units by Geography	89,255	3.3	21.0	48.1	27.6	0.0
Owner-Occupied Units by Geography	52,231	1.3	16.5	51.9	30.3	0.0
Occupied Rental Units by Geography	26,033	5.9	27.1	41.7	25.3	0.0
Vacant Units by Geography	10,991	6.3	27.9	45.6	20.2	0.0
Businesses by Geography	11,175	3.7	24.4	39.6	32.2	0.1
Farms by Geography	375	0.3	15.2	57.9	26.7	0.0
Family Distribution by Income Level	53,667	23.5	16.2	19.9	40.4	0.0
Household Distribution by Income Level	78,264	25.8	15.6	16.4	42.2	0.0
Median Family Income - Florence, SC MSA		\$50,944	Median Housing Value			\$108,979
			Median Gross Rent			\$646
			Families Below Poverty Level			16.4%
<i>Source: 2015 ACS and 2020 D&B Data</i> <i>Due to rounding, totals may not equal 100.0 percent.</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

The Florence MSA assessment area is highly competitive. According to the FDIC Deposit Market Share data as of June 30, 2021, 16 FDIC-insured institutions operate 56 branches within the assessment area. Of these institutions, First-Citizens Bank ranked 3rd with a market share of 12.5 percent. Competitor institutions in the assessment area include Wells Fargo Bank, NA, South State Bank, and Truist Bank. Together, the three competitor institutions account for 44.5 percent of the market share.

There is a high level of competition for small business loans within the assessment area. Aggregate data for 2020 shows 86 lenders reported 2,887 small business loans originated or purchased in the assessment area. Overall, First-Citizens Bank ranked 2nd with an 11.7 percent market share by number of loans and 1st with a 21.3 percent market share by dollar volume. The five dominant small business lenders accounted for 49.5 percent of the total market share by number.

There is a high level of competition for home mortgage loans among banks, credit unions, and non-depository mortgage lenders. Aggregate data for 2020 shows 258 lenders reported 5,684 residential mortgage loans originated or purchased in the assessment area. First-Citizens Bank ranked 7th with a market share of 4.5 percent. The five dominant home mortgage lenders accounted for 28.7 percent of total market share by number.

Hilton Head MSA Assessment Area

Demographic Information for the Hilton Head MSA Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	41	0.0	26.8	39.0	31.7	2.4
Population by Geography	171,420	0.0	26.6	50.3	23.1	0.0
Housing Units by Geography	93,858	0.0	21.6	45.2	33.2	0.0
Owner-Occupied Units by Geography	46,204	0.0	16.9	51.4	31.6	0.0
Occupied Rental Units by Geography	19,771	0.0	34.4	49.0	16.6	0.0
Vacant Units by Geography	27,883	0.0	20.2	32.1	47.6	0.0
Businesses by Geography	15,303	0.0	16.0	54.5	29.5	0.0
Farms by Geography	419	0.0	23.9	56.8	19.3	0.0
Family Distribution by Income Level	44,911	17.7	18.2	21.2	42.9	0.0
Household Distribution by Income Level	65,975	20.6	16.5	18.3	44.5	0.0
Median Family Income - Hilton Head Island-Bluffton, SC MSA		\$63,345	Median Housing Value			\$312,936
			Median Gross Rent			\$1,054
			Families Below Poverty Level			8.7%
<i>Source: 2015 ACS and 2020 D&B Data</i> <i>Due to rounding, totals may not equal 100.0 percent.</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

The Hilton Head MSA assessment area is highly competitive. According to the FDIC Deposit Market Share data as of June 30, 2021, 19 FDIC-insured institutions operate 55 branches within the assessment area. Of these institutions, First-Citizens Bank ranked 7th with a market share of 4.3 percent. Competitor institutions in the assessment area include Wells Fargo Bank, NA, Bank of America, NA, and South State Bank. Together, the three competitor institutions account for 44.7 percent of the market share.

There is a high level of competition for small business loans within the assessment area. Aggregate data for 2020 shows 121 lenders reported 5,518 small business loans originated or purchased in the assessment area. Overall, First-Citizens Bank ranked 17th with a 2.0 percent market share by number of loans and 9th with a 4.9 percent market share by dollar volume. The five dominant small business lenders accounted for 51.4 percent of the total market share by number.

There is a high level of competition for home mortgage loans among banks, credit unions, and non-depository mortgage lenders. Aggregate data for 2020 shows 537 lenders reported 15,901 residential mortgage loans originated or purchased in the assessment area. First-Citizens Bank ranked 24th with a market share of 1.1 percent. The five dominant home mortgage lenders accounted for 28.8 percent of total market share by number.

Sumter MSA Assessment Area

Demographic Information for the Sumter MSA Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	35	0.0	25.7	51.4	20.0	2.9
Population by Geography	141,955	0.0	23.3	50.4	25.3	1.0
Housing Units by Geography	64,100	0.0	24.2	50.8	24.9	0.0
Owner-Occupied Units by Geography	36,114	0.0	16.8	53.8	29.4	0.0
Occupied Rental Units by Geography	17,618	0.0	37.9	45.2	16.9	0.0
Vacant Units by Geography	10,368	0.0	27.0	50.0	23.1	0.0
Businesses by Geography	7,361	0.0	34.7	44.5	20.7	0.0
Farms by Geography	361	0.0	18.3	68.4	13.3	0.0
Family Distribution by Income Level	36,579	21.7	19.0	19.2	40.1	0.0
Household Distribution by Income Level	53,732	24.1	16.4	18.4	41.1	0.0
Median Family Income - Sumter, SC MSA		\$47,323	Median Housing Value			\$102,951
			Median Gross Rent			\$730
			Families Below Poverty Level			15.5%
<i>Source: 2015 ACS and 2020 D&B Data</i> <i>Due to rounding, totals may not equal 100.0 percent</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

The Sumter MSA assessment area is moderately competitive. According to the FDIC Deposit Market Share data as of June 30, 2021, 8 FDIC-insured institutions operate 19 branches within the assessment area. Of these institutions, First-Citizens Bank ranked 4th with a market share of 14.5 percent. Competitor institutions in the assessment area include Synovus Bank, The Bank of Clarendon, and Wells Fargo Bank, NA. Together, the three competitor institutions account for 67.9 percent of the market share.

There is a moderate level of competition for small business loans within the assessment area. Aggregate data for 2020 shows 67 lenders reported 1,950 small business loans originated or purchased in the assessment area. Overall, First-Citizens Bank ranked 2nd with a 15.6 percent market share by number of loans and 2nd with a 22.7 percent market share by dollar volume. The five dominant small business lenders accounted for 64.7 percent of the total market share by number.

There is a higher level of competition for home mortgage loans among banks, credit unions, and non-depository mortgage lenders. Aggregate data for 2020 shows 248 lenders reported 4,591 residential mortgage loans originated or purchased in the assessment area. First-Citizens Bank ranked 12th with a market share of 2.3 percent. The five dominant home mortgage lenders accounted for 28.7 percent of total market share by number.

VIRGINIA

Lynchburg MSA Assessment Area

Demographic Information for the Lynchburg MSA Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	48	2.1	25.0	56.3	16.7	0.0
Population by Geography	209,633	2.3	21.3	55.4	21.1	0.0
Housing Units by Geography	92,898	2.6	21.7	56.6	19.1	0.0
Owner-Occupied Units by Geography	55,880	1.9	14.2	59.7	24.3	0.0
Occupied Rental Units by Geography	25,030	3.8	37.9	45.2	13.2	0.0
Vacant Units by Geography	11,988	3.3	23.2	66.5	7.0	0.0
Businesses by Geography	16,716	1.4	21.3	51.0	26.3	0.0
Farms by Geography	731	1.0	10.3	65.8	23.0	0.0
Family Distribution by Income Level	53,342	20.8	17.4	21.5	40.3	0.0
Household Distribution by Income Level	80,910	24.3	15.8	18.1	41.8	0.0
Median Family Income - Lynchburg, VA MSA	\$60,256	Median Housing Value				\$171,188
		Median Gross Rent				\$752
		Families Below Poverty Level				11.2%
<i>Source: 2015 ACS and 2020 D&B Data</i> <i>Due to rounding, totals may not equal 100.0 percent</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

According to the FDIC Deposit Market Share data as of June 30, 2021, the bank ranked 9th with a market share of 5.1 percent. The top three competitors accounted for 54.8 percent of the market share.

For residential mortgage lending, the bank ranked 18th with a market share of 1.3 percent. Aggregate data for 2020 shows the top three mortgage lenders accounted for 19.6 percent of total market share by number.

With regard to competition for small business loans, the bank ranked 7th with a market share of 4.2 percent. Aggregate data for 2020 shows the top three small business lender accounted for 37.9 percent of total market share by number.

Blacksburg MSA Assessment Area

Demographic Information for the Blacksburg MSA Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	16	0.0	6.3	50.0	37.5	6.3
Population by Geography	96,467	0.0	7.8	47.6	36.0	8.6
Housing Units by Geography	39,038	0.0	7.0	53.7	39.4	0.0
Owner-Occupied Units by Geography	19,093	0.0	2.2	55.5	42.3	0.0
Occupied Rental Units by Geography	16,106	0.0	12.2	50.7	37.1	0.0
Vacant Units by Geography	3,839	0.0	8.7	57.0	34.2	0.1
Businesses by Geography	6,889	0.0	2.7	55.4	41.1	0.7
Farms by Geography	262	0.0	0.8	56.9	41.6	0.8
Family Distribution by Income Level	19,017	17.3	15.5	19.6	47.7	0.0
Household Distribution by Income Level	35,199	27.6	12.5	16.3	43.6	0.0
Median Family Income - Blacksburg-Christiansburg, VA MSA		\$60,971	Median Housing Value			\$219,481
			Median Gross Rent			\$864
			Families Below Poverty Level			8.7%
<i>Source: 2015 ACS and 2020 D&B Data</i> <i>Due to rounding, totals may not equal 100.0 percent.</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

According to the FDIC Deposit Market Share data as of June 30, 2021, the bank ranked 10th with a market share of 1.2 percent. The top three competitors accounted for 68.0 percent of the market share.

For residential mortgage lending, the bank ranked 22nd with a market share of 1.3 percent. Aggregate data for 2020 shows the top three mortgage lenders accounted for 20.1 percent of total market share by number.

With regard to competition for small business loans, the bank ranked 10th with a market share of 3.3 percent. Aggregate data for 2020 shows the top three small business lender accounted for 33.4 percent of total market share by number.

Charlottesville MSA Assessment Area

Demographic Information for the Charlottesville MSA Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	34	5.9	26.5	35.3	29.4	2.9
Population by Geography	148,192	6.2	22.7	34.9	33.6	2.6
Housing Units by Geography	63,465	6.3	22.3	37.5	33.9	0.1
Owner-Occupied Units by Geography	33,016	4.1	14.3	41.2	40.3	0.0
Occupied Rental Units by Geography	23,589	9.4	31.6	32.2	26.6	0.2
Vacant Units by Geography	6,860	5.7	28.1	38.0	28.1	0.0
Businesses by Geography	18,081	4.5	14.3	34.7	46.0	0.6
Farms by Geography	626	1.9	12.8	49.4	35.9	0.0
Family Distribution by Income Level	32,741	19.0	15.0	18.8	47.2	0.0
Household Distribution by Income Level	56,605	24.3	15.2	16.7	43.8	0.0
Median Family Income - Charlottesville, VA MSA		\$78,548	Median Housing Value			\$313,940
			Median Gross Rent			\$1,049
			Families Below Poverty Level			7.8%

*Source: 2015 ACS and 2020 D&B Data
Due to rounding, totals may not equal 100.0 percent.
(*) The NA category consists of geographies that have not been assigned an income classification.*

According to the FDIC Deposit Market Share data as of June 30, 2021, the bank ranked 7th with a market share of 2.0 percent. The top three competitors accounted for 65.4 percent of the market share.

For residential mortgage lending, the bank ranked 30th with a market share of 0.9 percent. Aggregate data for 2020 shows the top three mortgage lenders accounted for 20.5 percent of total market share by number.

With regard to competition for small business loans, the bank ranked 7th with a market share of 5.0 percent. Aggregate data for 2020 shows the top three small business lender accounted for 39.5 percent of total market share by number.

Harrisonburg MSA Assessment Area

Demographic Information for the Harrisonburg MSA Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	30	3.3	13.3	70.0	13.3	0.0
Population by Geography	129,173	4.6	15.1	66.3	14.0	0.0
Housing Units by Geography	52,211	3.5	15.2	69.2	12.1	0.0
Owner-Occupied Units by Geography	28,375	0.4	10.0	76.9	12.7	0.0
Occupied Rental Units by Geography	17,659	7.2	24.7	59.7	8.4	0.0
Vacant Units by Geography	6,177	7.1	12.0	61.4	19.5	0.0
Businesses by Geography	10,155	1.9	19.9	62.9	15.3	0.0
Farms by Geography	880	0.2	4.4	82.5	12.8	0.0
Family Distribution by Income Level	29,592	18.6	19.5	22.7	39.3	0.0
Household Distribution by Income Level	46,034	22.9	16.7	19.0	41.4	0.0
Median Family Income - Harrisonburg, VA MSA	\$60,539	Median Housing Value				\$208,004
		Median Gross Rent				\$884
		Families Below Poverty Level				9.6%
<i>Source: 2015 ACS and 2020 D&B Data</i> <i>Due to rounding, totals may not equal 100.0 percent.</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

According to the FDIC Deposit Market Share data as of June 30, 2021, the bank ranked 11th with a market share of 1.5 percent. The top three competitors accounted for 61.3 percent of the market share.

For residential mortgage lending, the bank ranked 28th with a market share of 0.8 percent. Aggregate data for 2020 shows the top three mortgage lenders accounted for 27.1 percent of total market share by number.

With regard to competition for small business loans, the bank ranked 13th with a market share of 2.9 percent. Aggregate data for 2020 shows the top three small business lender accounted for 30.8 percent of total market share by number.

Staunton MSA Assessment Area

Demographic Information for the Staunton MSA Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	24	4.2	12.5	75.0	8.3	0.0
Population by Geography	119,396	1.1	12.0	79.6	7.4	0.0
Housing Units by Geography	53,374	1.2	11.0	81.0	6.8	0.0
Owner-Occupied Units by Geography	33,456	0.2	9.2	83.1	7.4	0.0
Occupied Rental Units by Geography	14,112	3.4	13.6	77.7	5.4	0.0
Vacant Units by Geography	5,806	1.1	15.2	77.1	6.6	0.0
Businesses by Geography	8,990	4.0	5.9	82.5	7.7	0.0
Farms by Geography	603	0.7	4.1	90.9	4.3	0.0
Family Distribution by Income Level	32,221	19.7	18.4	22.7	39.2	0.0
Household Distribution by Income Level	47,568	22.9	17.4	18.9	40.8	0.0
Median Family Income - Staunton, VA MSA		\$60,603	Median Housing Value			\$184,989
			Median Gross Rent			\$800
			Families Below Poverty Level			8.9%
<i>Source: 2015 ACS and 2020 D&B Data</i> <i>Due to rounding, totals may not equal 100.0 percent.</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

According to the FDIC Deposit Market Share data as of June 30, 2021, the bank ranked 10th with a market share of 2.2 percent. The top three competitors accounted for 60.1 percent of the market share.

For residential mortgage lending, the bank ranked 41st with a market share of 0.4 percent. Aggregate data for 2020 shows the top three mortgage lenders accounted for 29.2 percent of total market share by number.

With regard to competition for small business loans, the bank ranked 13th with a market share of 2.1 percent. Aggregate data for 2020 shows the top three small business lender accounted for 40.4 percent of total market share by number.

Winchester MSA Assessment Area

Demographic Information for the Winchester MSA Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	19	0.0	15.8	57.9	26.3	0.0
Population by Geography	108,508	0.0	17.4	55.7	26.9	0.0
Housing Units by Geography	44,055	0.0	16.4	57.2	26.4	0.0
Owner-Occupied Units by Geography	27,768	0.0	10.7	57.9	31.5	0.0
Occupied Rental Units by Geography	12,295	0.0	28.5	54.7	16.8	0.0
Vacant Units by Geography	3,992	0.0	19.0	59.8	21.2	0.0
Businesses by Geography	10,418	0.0	17.5	56.2	26.2	0.0
Farms by Geography	385	0.0	10.1	65.5	24.4	0.0
Family Distribution by Income Level	27,783	19.7	16.3	19.5	44.5	0.0
Household Distribution by Income Level	40,063	18.6	16.3	16.2	48.9	0.0
Median Family Income - Winchester, VA-WV MSA	\$69,817	Median Housing Value				\$216,463
		Median Gross Rent				\$1,003
		Families Below Poverty Level				5.9%
<i>Source: 2015 ACS and 2020 D&B Data</i> <i>Due to rounding, totals may not equal 100.0 percent.</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

According to the FDIC Deposit Market Share data as of June 30, 2021, the bank ranked 9th with a market share of 1.3 percent. The top three competitors accounted for 69.4 percent of the market share.

For residential mortgage lending, the bank ranked 98th with a market share of 0.1 percent. Aggregate data for 2020 shows the top three mortgage lenders accounted for 21.0 percent of total market share by number.

With regard to competition for small business loans, the bank ranked 13th with a market share of 1.9 percent. Aggregate data for 2020 shows the top three small business lender accounted for 39.2 percent of total market share by number.

CALIFORNIA

Sacramento MSA Assessment Area

Demographic Information for the Sacramento MSA Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	402	10.4	25.4	33.6	30.1	0.5
Population by Geography	1,832,112	10.3	25.0	34.0	30.6	0.1
Housing Units by Geography	716,672	9.8	24.2	35.2	30.5	0.3
Owner-Occupied Units by Geography	384,572	5.2	19.9	35.4	39.4	0.0
Occupied Rental Units by Geography	273,480	15.9	30.7	35.0	17.9	0.5
Vacant Units by Geography	58,620	11.4	22.1	35.0	30.7	0.8
Businesses by Geography	144,173	9.6	22.5	31.0	34.7	2.2
Farms by Geography	3,101	6.4	21.6	30.8	40.4	0.8
Family Distribution by Income Level	438,113	24.4	16.4	18.5	40.6	0.0
Household Distribution by Income Level	658,052	25.5	15.7	17.3	41.6	0.0
Median Family Income - Sacramento-Roseville-Folsom, CA MSA		\$71,829	Median Housing Value			\$278,332
			Median Gross Rent			\$1,097
			Families Below Poverty Level			12.1%
<i>Source: 2015 ACS and 2020 D&B Data</i> <i>Due to rounding, totals may not equal 100.0 percent</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

The assessment area is moderately competitive. According to the FDIC Deposit Market Share data as of June 30, 2021, 36 financial institutions operated 271 branches within the assessment area. Of these institutions, First-Citizens Bank ranked 12th with a market share of 1.0 percent. The top three competitors accounted for 57.1 percent of the market share.

There is a high level of competition for home mortgage loans among banks, credit unions, and non-depository mortgage lenders. Aggregate data for 2020 shows 752 lenders reported 220,168 residential mortgage loans. Overall, First-Citizens Bank ranked 243rd with a market share of less than 0.1 percent. The top five home mortgage lenders accounted for 22.4 percent of total market share by number.

In addition, there is a high level of competition for small business loans within the assessment area. Aggregate data for 2020 shows 195 lenders reported 51,015 small business loans originated or purchased in the assessment area. Overall, First-Citizens Bank ranked 24th with 0.6 percent market share by number of loans and 12th with a 2.4 percent market share by dollar volume. The top five small business lenders accounted for 38.9 percent of total market share by number.

Oakland MD Assessment Area

Demographic Information for the Oakland MD Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	208	11.1	24.0	27.9	36.5	0.5
Population by Geography	1,096,068	11.4	22.2	30.1	36.3	0.0
Housing Units by Geography	405,001	10.5	22.8	29.6	37.0	0.0
Owner-Occupied Units by Geography	248,668	5.1	20.0	29.4	45.5	0.0
Occupied Rental Units by Geography	135,978	19.8	26.7	30.5	23.1	0.0
Vacant Units by Geography	20,355	15.0	31.2	27.1	26.6	0.0
Businesses by Geography	86,711	6.7	17.9	29.3	46.1	0.0
Farms by Geography	1,679	6.1	18.9	30.3	44.7	0.0
Family Distribution by Income Level	273,149	23.0	16.4	18.3	42.3	0.0
Household Distribution by Income Level	384,646	23.9	15.1	16.8	44.2	0.0
Median Family Income - Oakland-Berkeley-Livermore, CA		\$93,822	Median Housing Value			\$472,294
			Median Gross Rent			\$1,483
			Families Below Poverty Level			7.8%
<i>Source: 2015 ACS and 2020 D&B Data</i> <i>Due to rounding, totals may not equal 100.0 percent.</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

The assessment area is moderately competitive. According to the FDIC Deposit Market Share data as of June 30, 2021, 32 financial institutions operated 193 branches within the assessment area. Of these institutions, First-Citizens Bank ranked 28th with a market share of 0.1 percent. The top three competitors accounted for 60.6 percent of the market share.

There is a high level of competition for home mortgage loans among banks, credit unions, and non-depository mortgage lenders. Aggregate data for 2020 shows 716 lenders reported 138,418 residential mortgage loans. Overall, First-Citizens Bank ranked 530th with a market share of less than 0.1 percent. The top five home mortgage lenders accounted for 28.4 percent of total market share by number.

In addition, there is a high level of competition for small business loans within the assessment area. Aggregate data for 2020 shows 187 lenders reported 32,509 small business loans originated or purchased in the assessment area. Overall, First-Citizens Bank ranked 67th with 0.1 percent market share by number of loans and 42nd with a 0.2 percent market share by dollar volume. The top five small business lenders accounted for 59.9 percent of total market share by number.

Riverside MSA Assessment Area

Demographic Information for the Riverside MSA Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	453	3.8	28.9	36.6	30.2	0.4
Population by Geography	2,298,032	4.3	25.8	34.5	35.0	0.3
Housing Units by Geography	815,322	3.9	25.5	35.6	35.0	0.0
Owner-Occupied Units by Geography	453,139	2.2	20.1	36.0	41.7	0.0
Occupied Rental Units by Geography	246,093	7.2	35.4	34.5	22.9	0.0
Vacant Units by Geography	116,090	3.4	25.7	36.7	34.2	0.0
Businesses by Geography	146,436	2.9	22.5	34.6	40.0	0.0
Farms by Geography	3,556	3.9	23.4	37.4	35.3	0.0
Family Distribution by Income Level	514,800	21.4	16.8	18.7	43.1	0.0
Household Distribution by Income Level	699,232	23.5	16.0	17.1	43.4	0.0
Median Family Income - Riverside-San Bernardino-Ontario, CA MSA	\$61,507	Median Housing Value				\$259,001
		Median Gross Rent				\$1,236
		Families Below Poverty Level				13.1%
<i>Source: 2015 ACS and 2020 D&B Data</i> <i>Due to rounding, totals may not equal 100.0 percent.</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

The assessment area is moderately competitive. According to the FDIC Deposit Market Share data as of June 30, 2021, 29 financial institutions operated 276 branches within the assessment area. Of these institutions, First-Citizens Bank ranked 16th with a market share of 0.8 percent. The top three competitors accounted for 62.2 percent of the market share.

There is a high level of competition for home mortgage loans among banks, credit unions, and non-depository mortgage lenders. Aggregate data for 2020 shows 863 lenders reported 260,515 residential mortgage loans. Overall, First-Citizens Bank ranked 371st with a market share of less than 0.1 percent. The top five home mortgage lenders accounted for 25.9 percent of total market share by number.

In addition, there is a high level of competition for small business loans within the assessment area. Aggregate data for 2020 shows 208 lenders reported 59,066 small business loans originated or purchased in the assessment area. Overall, First-Citizens Bank ranked 28th with 0.4 percent market share by number of loans and 18th with a 1.5 percent market share by dollar volume. The top five small business lenders accounted for 55.5 percent of total market share by number.

FLORIDA

West Palm Beach MD Assessment Area

Demographic Information for the West Palm Beach MD Assessment Area							
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #	
Geographies (Census Tracts)	338	7.7	27.8	27.2	34.0	3.3	
Population by Geography	1,378,806	7.3	27.5	30.9	33.9	0.4	
Housing Units by Geography	671,317	6.0	27.5	30.4	35.8	0.3	
Owner-Occupied Units by Geography	369,521	3.1	23.3	32.7	40.6	0.2	
Occupied Rental Units by Geography	165,084	12.3	35.9	29.8	21.7	0.4	
Vacant Units by Geography	136,712	6.0	28.7	25.0	39.9	0.4	
Businesses by Geography	262,185	5.2	20.9	29.3	43.9	0.6	
Farms by Geography	5,336	5.6	22.5	32.8	38.8	0.3	
Family Distribution by Income Level	332,725	22.8	17.3	17.8	42.1	0.0	
Household Distribution by Income Level	534,605	24.5	16.1	16.9	42.5	0.0	
Median Family Income - West Palm Beach-Boca Raton-Boynton Beach, FL MD	\$65,914	Median Housing Value				\$230,203	
					Median Gross Rent		\$1,229
					Families Below Poverty Level		10.5%
<i>Source: 2015 ACS and 2020 D&B Data Due to rounding, totals may not equal 100.0 percent. (*) The NA category consists of geographies that have not been assigned an income classification.</i>							

The assessment area is highly competitive. According to the FDIC Deposit Market Share data as of June 30, 2021, 49 financial institutions operated 409 branches within the assessment area. Of these institutions, First-Citizens Bank ranked 28th with a market share of 0.4 percent. The top three competitors accounted for 48.4 percent of the market share.

There is a high level of competition for home mortgage loans among banks, credit unions, and non-depository mortgage lenders. Aggregate data for 2020 shows 911 lenders reported 72,313 residential mortgage loans. Overall, First-Citizens Bank ranked 298th with a market share of less than 0.1 percent. The top five home mortgage lenders accounted for 24.5 percent of total market share by number.

In addition, there is a high level of competition for small business loans within the assessment area. Aggregate data for 2020 shows 293 lenders reported 71,805 small business loans originated or purchased in the assessment area. Overall, First-Citizens Bank ranked 25th with a market share of 0.4 percent by number of loans and 16th with a market share of 1.6 percent by dollar volume. The top five small business lenders accounted for 58.2 percent of total market share by number.

Fort Lauderdale MD Assessment Area

Demographic Information for the Fort Lauderdale MD Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	362	5.5	29.3	32.3	32.3	0.6
Population by Geography	1,843,152	5.1	28.9	32.7	33.3	0.0
Housing Units by Geography	814,454	5.4	28.7	33.2	32.7	0.0
Owner-Occupied Units by Geography	425,691	2.8	24.8	34.0	38.4	0.0
Occupied Rental Units by Geography	244,593	9.4	34.6	33.2	22.9	0.0
Vacant Units by Geography	144,170	6.6	30.2	30.7	32.4	0.0
Businesses by Geography	357,195	4.9	23.9	30.6	40.7	0.0
Farms by Geography	4,629	5.1	28.9	29.1	36.9	0.0
Family Distribution by Income Level	425,680	22.3	17.3	18.7	41.7	0.0
Household Distribution by Income Level	670,284	24.4	16.1	17.3	42.2	0.0
Median Family Income - Fort Lauderdale-Pompano Beach-Sunrise, FL MD	\$61,809	Median Housing Value				\$206,124
		Median Gross Rent				\$1,233
		Families Below Poverty Level				11.2%
<i>Source: 2015 ACS and 2020 D&B Data</i> <i>Due to rounding, totals may not equal 100.0 percent.</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

The assessment area is highly competitive. According to the FDIC Deposit Market Share data as of June 30, 2021, 44 financial institutions operated 415 branches within the assessment area. Of these institutions, First-Citizens Bank ranked 30th with a market share of 0.2 percent. The top three competitors accounted for 55.8 percent of the market share.

There is a high level of competition for home mortgage loans among banks, credit unions, and non-depository mortgage lenders. Aggregate data for 2020 shows 833 lenders reported 80,794 residential mortgage loans. Overall, First-Citizens Bank ranked 348th with a market share of less than 0.1 percent. The top five home mortgage lenders accounted for 25.6 percent of total market share by number.

In addition, there is a high level of competition for small business loans within the assessment area. Aggregate data for 2020 shows 264 lenders reported 98,702 small business loans originated or purchased in the assessment area. Overall, First-Citizens Bank ranked 37th with a market share of 0.2 percent by number of loans and 21st with a market share of 0.9 percent by dollar volume. The top five small business lenders accounted for 62.5 percent of total market share by number.

Cape Coral MSA Assessment Area

Demographic Information of the Assessment Area Cape Coral MSA Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	167	4.2	25.1	35.9	33.5	1.2
Population by Geography	663,675	4.7	27.1	42.3	25.9	0.0
Housing Units by Geography	374,333	3.5	21.3	40.9	34.4	0.0
Owner-Occupied Units by Geography	174,162	2.1	18.6	44.2	35.1	0.0
Occupied Rental Units by Geography	78,125	8.5	32.9	38.0	20.5	0.0
Vacant Units by Geography	122,046	2.3	17.6	38.0	42.1	0.0
Businesses by Geography	98,649	2.7	22.6	40.1	34.4	0.2
Farms by Geography	2,955	3.2	26.1	46.5	24.3	0.0
Family Distribution by Income Level	165,635	20.7	18.5	19.7	41.1	0.0
Household Distribution by Income Level	252,287	22.6	17.2	18.8	41.4	0.0
Median Family Income - Cape Coral-Fort Myers, FL MSA		\$57,627	Median Housing Value			\$192,233
			Median Gross Rent			\$970
			Families Below Poverty Level			11.1%
<i>Source: 2015 ACS and 2020 D&B Data</i> <i>Due to rounding, totals may not equal 100.0 percent.</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

The assessment area is highly competitive. According to the FDIC Deposit Market Share data as of June 30, 2021, 30 financial institutions operated 177 branches within the assessment area. Of these institutions, First-Citizens Bank ranked 21st with a market share of 0.6 percent. The top three competitors accounted for 44.6 percent of the market share.

There is a high level of competition for home mortgage loans among banks, credit unions, and non-depository mortgage lenders. Aggregate data for 2020 shows 1,020 lenders reported 47,035 residential mortgage loans. Overall, First-Citizens Bank ranked 271st with a market share of less than 0.1 percent. The top five home mortgage lenders accounted for 23.8 percent of total market share by number.

In addition, there is a high level of competition for small business loans within the assessment area. Aggregate data for 2020 shows 221 lenders reported 23,800 small business loans originated or purchased in the assessment area. Overall, First-Citizens Bank ranked 26th with a market share of 0.7 percent by number of loans and 13th with a market share of 2.2 percent by dollar volume. The top five small business lenders accounted for 49.7 percent of total market share by number.

Naples MSA Assessment Area

Demographic Information for the Naples MSA Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	74	8.1	20.3	35.1	35.1	1.4
Population by Geography	341,091	7.2	23.5	38.0	31.3	0.0
Housing Units by Geography	201,582	3.6	18.3	38.0	40.0	0.0
Owner-Occupied Units by Geography	93,733	2.3	16.3	41.3	40.1	0.0
Occupied Rental Units by Geography	36,155	9.5	28.3	37.8	24.5	0.0
Vacant Units by Geography	71,694	2.4	15.9	33.8	47.8	0.0
Businesses by Geography	61,497	2.7	13.6	38.2	45.6	0.0
Farms by Geography	1,516	5.3	20.4	43.3	30.9	0.0
Family Distribution by Income Level	87,665	20.8	17.7	19.3	42.2	0.0
Household Distribution by Income Level	129,888	22.3	17.1	18.4	42.2	0.0
Median Family Income - Naples-Marco Island, FL MSA		\$66,264	Median Housing Value			\$347,465
			Median Gross Rent			\$1,087
			Families Below Poverty Level			9.1%
<i>Source: 2015 ACS and 2020 D&B Data</i> <i>Due to rounding, totals may not equal 100.0 percent.</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

The assessment area is highly competitive. According to the FDIC Deposit Market Share data as of June 30, 2021, 32 financial institutions operated 135 branches within the assessment area. Of these institutions, First-Citizens Bank ranked 22nd with a market share of 0.5 percent. The top three competitors accounted for 37.9 percent of the market share.

There is a high level of competition for home mortgage loans among banks, credit unions, and non-depository mortgage lenders. Aggregate data for 2020 shows 870 lenders reported 23,536 residential mortgage loans. Overall, First-Citizens Bank ranked 174th with a market share of 0.1 percent. The top five home mortgage lenders accounted for 23.7 percent of total market share by number.

In addition, there is a high level of competition for small business loans within the assessment area. Aggregate data for 2020 shows 215 lenders reported 15,972 small business loans originated or purchased in the assessment area. Overall, First-Citizens Bank ranked 21st with a market share of 0.9 percent by number of loans and 13th with a market share of 2.4 percent by dollar volume. The top five small business lenders accounted for 48.4 percent of total market share by number.

Port St. Lucie MSA Assessment Area

Demographic Information for the Port St. Lucie MSA Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	36	0.0	13.9	33.3	47.2	5.6
Population by Geography	151,586	0.0	14.8	35.3	49.9	0.0
Housing Units by Geography	78,706	0.0	10.5	38.0	51.5	0.0
Owner-Occupied Units by Geography	46,795	0.0	7.0	36.2	56.8	0.0
Occupied Rental Units by Geography	15,157	0.0	24.1	41.8	34.1	0.0
Vacant Units by Geography	16,754	0.0	8.0	39.5	52.5	0.0
Businesses by Geography	25,981	0.0	15.0	35.1	49.9	0.0
Farms by Geography	899	0.0	23.2	26.0	50.7	0.0
Family Distribution by Income Level	38,625	14.3	17.1	17.5	51.1	0.0
Household Distribution by Income Level	61,952	20.6	15.2	16.6	47.5	0.0
Median Family Income - Port St. Lucie, FL MSA		\$56,570	Median Housing Value			\$209,626
			Median Gross Rent			\$1,034
			Families Below Poverty Level			7.3%
<i>Source: 2015 ACS and 2020 D&B Data Due to rounding, totals may not equal 100.0 percent. (*) The NA category consists of geographies that have not been assigned an income classification.</i>						

The assessment area is highly competitive. According to the FDIC Deposit Market Share data as of June 30, 2021, 15 financial institutions operated 43 branches within the assessment area. Of these institutions, First-Citizens Bank ranked 12th with a market share of 0.7 percent. The top three competitors accounted for 57.4 percent of the market share.

There is a high level of competition for home mortgage loans among banks, credit unions, and non-depository mortgage lenders. Aggregate data for 2020 shows 476 lenders reported 9,696 residential mortgage loans. Overall, First-Citizens Bank ranked 124th with a market share of 0.1 percent. The top five home mortgage lenders accounted for 25.9 percent of total market share by number.

In addition, there is a high level of competition for small business loans within the assessment area. Aggregate data for 2020 shows 121 lenders reported 7,277 small business loans originated or purchased in the assessment area. Overall, First-Citizens Bank ranked 18th with a market share of 0.7 percent by number of loans and 10th with a market share of 2.7 percent by dollar volume. The top five small business lenders accounted for 53.5 percent of total market share by number.

North Port MSA Assessment Area

Demographic Information for the North Port MSA Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	174	2.3	24.7	45.4	26.4	1.1
Population by Geography	735,767	2.8	23.7	47.5	26.0	0.0
Housing Units by Geography	407,196	1.8	22.5	47.5	28.2	0.0
Owner-Occupied Units by Geography	221,993	1.0	18.3	50.7	29.9	0.0
Occupied Rental Units by Geography	87,917	4.5	33.8	43.7	18.1	0.0
Vacant Units by Geography	97,286	1.2	21.6	43.5	33.7	0.0
Businesses by Geography	111,679	1.4	19.4	44.3	35.0	0.0
Farms by Geography	3,179	2.2	19.4	45.2	33.2	0.0
Family Distribution by Income Level	194,874	19.4	19.1	21.0	40.5	0.0
Household Distribution by Income Level	309,910	23.1	17.1	18.1	41.7	0.0
Median Family Income - North Port-Sarasota-Bradenton, FL MSA		\$62,814	Median Housing Value			\$210,725
			Median Gross Rent			\$1,020
			Families Below Poverty Level			8.4%
<i>Source: 2015 ACS and 2020 D&B Data</i> <i>Due to rounding, totals may not equal 100.0 percent.</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

The assessment area is highly competitive. According to the FDIC Deposit Market Share data as of June 30, 2021, 38 financial institutions operated 244 branches within the assessment area. Of these institutions, First-Citizens Bank ranked 33rd with a market share of 0.1 percent. The top three competitors accounted for 46.9 percent of the market share.

There is a high level of competition for home mortgage loans among banks, credit unions, and non-depository mortgage lenders. Aggregate data for 2020 shows 977 lenders reported 52,023 residential mortgage loans. Overall, First-Citizens Bank ranked 322nd with a market share of less than 0.1 percent. The top five home mortgage lenders accounted for 19.9 percent of total market share by number.

In addition, there is a high level of competition for small business loans within the assessment area. Aggregate data for 2020 shows 221 lenders reported 29,236 small business loans originated or purchased in the assessment area. Overall, First-Citizens Bank ranked 63rd with a market share of 0.1 percent by number of loans and 34th with a market share of 0.4 percent by dollar volume. The top five small business lenders accounted for 54.4 percent of total market share by number.

Orlando MSA Assessment Area

Demographic Information for the Orlando MSA Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	293	4.1	27.3	32.4	35.8	0.3
Population by Geography	1,666,385	2.8	25.6	33.3	38.3	0.0
Housing Units by Geography	685,887	3.0	25.9	34.0	37.0	0.0
Owner-Occupied Units by Geography	341,812	1.1	18.3	33.6	47.0	0.0
Occupied Rental Units by Geography	244,767	5.5	35.6	34.1	24.8	0.0
Vacant Units by Geography	99,308	3.6	28.5	35.1	32.8	0.0
Businesses by Geography	273,095	1.4	22.6	32.2	43.8	0.0
Farms by Geography	5,084	1.3	22.1	34.4	42.2	0.0
Family Distribution by Income Level	381,133	21.1	17.0	18.6	43.3	0.0
Household Distribution by Income Level	586,579	22.6	16.5	17.8	43.1	0.0
Median Family Income - Orlando-Kissimmee-Sanford, FL MSA		\$57,304	Median Housing Value			\$173,015
			Median Gross Rent			\$1,065
			Families Below Poverty Level			12.2%
<i>Source: 2015 ACS and 2020 D&B Data</i> <i>Due to rounding, totals may not equal 100.0 percent.</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

The assessment area is highly competitive. According to the FDIC Deposit Market Share data as of June 30, 2021, 37 financial institutions operated 373 branches within the assessment area. Of these institutions, First-Citizens Bank ranked 29th with a market share of 0.2 percent. The top three competitors accounted for 58.3 percent of the market share.

There is a high level of competition for home mortgage loans among banks, credit unions, and non-depository mortgage lenders. Aggregate data for 2020 shows 874 lenders reported 91,205 residential mortgage loans. Overall, First-Citizens Bank ranked 339th with a market share of less than 0.1 percent. The top five home mortgage lenders accounted for 23.0 percent of total market share by number.

In addition, there is a high level of competition for small business loans within the assessment area. Aggregate data for 2020 shows 246 lenders reported 63,974 small business loans originated or purchased in the assessment area. Overall, First-Citizens Bank ranked 65th with a market share of 0.1 percent by number of loans and 45th with a market share of 0.2 percent by dollar volume. The top five small business lenders accounted for 55.8 percent of total market share by number.

GEORGIA

GA Non-MSA Assessment Area

Demographic Information of the Assessment Area GA Non-MSA Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	15	0.0	20.0	53.3	26.7	0.0
Population by Geography	73,228	0.0	18.5	55.0	26.5	0.0
Housing Units by Geography	35,984	0.0	18.2	55.2	26.6	0.0
Owner-Occupied Units by Geography	19,785	0.0	16.2	56.6	27.2	0.0
Occupied Rental Units by Geography	7,801	0.0	25.7	52.9	21.4	0.0
Vacant Units by Geography	8,398	0.0	15.9	54.0	30.0	0.0
Businesses by Geography	5,016	0.0	25.5	50.8	23.7	0.0
Farms by Geography	366	0.0	12.8	56.6	30.6	0.0
Family Distribution by Income Level	19,420	21.5	18.4	17.2	42.9	0.0
Household Distribution by Income Level	27,586	24.7	15.4	16.6	43.4	0.0
Median Family Income Non-MSAs - GA		\$45,886	Median Housing Value			\$108,357
			Median Gross Rent			\$598
			Families Below Poverty Level			15.9%
<i>Source: 2015 ACS and 2020 D&B Data</i> <i>Due to rounding, totals may not equal 100.0 percent</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

The assessment area is moderately competitive. According to the FDIC Deposit Market Share data as of June 30, 2021, 8 financial institutions operated 24 branches within the assessment area. Of these institutions, First-Citizens Bank ranked 2nd with a market share of 21.3 percent. The top three competitors accounted for 65.2 percent of the market share.

There is a moderate level of competition for home mortgage loans among banks, credit unions, and non-depository mortgage lenders. Aggregate data for 2020 shows 225 lenders reported 2,589 residential mortgage loans. Overall, First-Citizens Bank ranked 4th with a market share of 4.4 percent. The top five home mortgage lenders accounted for 33.7 percent of total market share by number.

In addition, there is a moderate level of competition for small business loans within the assessment area. Aggregate data for 2020 shows 60 lenders reported 1,064 small business loans originated or purchased in the assessment area. Overall, First-Citizens Bank ranked 1st with a market share by number of 18.8 percent and 1st with a 23.8 percent market share by dollar volume. The top five small business lenders accounted for 49.1 percent of total market share by number.

Athens MSA Assessment Area

Demographic Information for the Athens MSA Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	6	0.0	50.0	50.0	0.0	0.0
Population by Geography	28,232	0.0	41.8	58.2	0.0	0.0
Housing Units by Geography	11,752	0.0	43.8	56.2	0.0	0.0
Owner-Occupied Units by Geography	7,364	0.0	44.4	55.6	0.0	0.0
Occupied Rental Units by Geography	2,831	0.0	35.2	64.8	0.0	0.0
Vacant Units by Geography	1,557	0.0	56.7	43.3	0.0	0.0
Businesses by Geography	1,642	0.0	40.1	59.9	0.0	0.0
Farms by Geography	190	0.0	55.8	44.2	0.0	0.0
Family Distribution by Income Level	7,084	26.4	18.5	20.1	35.1	0.0
Household Distribution by Income Level	10,195	19.4	17.7	18.6	44.3	0.0
Median Family Income - Athens-Clarke County, GA MSA		\$57,116	Median Housing Value			\$119,955
			Median Gross Rent			\$706
			Families Below Poverty Level			12.6%
<i>Source: 2015 ACS and 2020 D&B Data</i> <i>Due to rounding, totals may not equal 100.0 percent.</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

The assessment area is moderately competitive. According to the FDIC Deposit Market Share data as of June 30, 2021, four financial institutions operated seven branches within the assessment area. Of these institutions, First-Citizens Bank ranked 1st with a market share of 41.7 percent. The top three competitors accounted for 88.1 percent of the market share.

There is a moderate level of competition for home mortgage loans among banks, credit unions, and non-depository mortgage lenders. Aggregate data for 2020 shows 142 lenders reported 1,199 residential mortgage loans. Overall, First-Citizens Bank ranked 5th with a market share of 4.4 percent. The top five home mortgage lenders accounted for 31.9 percent of total market share by number.

In addition, there is a moderate level of competition for small business loans within the assessment area. Aggregate data for 2020 shows 38 lenders reported 430 small business loans originated or purchased in the assessment area. Overall, First-Citizens Bank ranked 2nd with a market share by number of 13.3 percent and 2nd with an 11.1 percent market share by dollar volume. The top five small business lenders accounted for 57.2 percent of total market share by number.

Savannah MSA Assessment Area

Demographic Information for the Savannah MSA Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	72	13.9	37.5	22.2	22.2	4.2
Population by Geography	279,290	10.1	29.8	29.0	31.1	0.0
Housing Units by Geography	121,877	9.8	29.7	29.2	31.3	0.0
Owner-Occupied Units by Geography	57,315	5.6	21.2	33.5	39.8	0.0
Occupied Rental Units by Geography	47,597	13.4	39.5	24.3	22.7	0.0
Vacant Units by Geography	16,965	13.8	31.2	28.4	26.6	0.1
Businesses by Geography	30,932	8.6	22.9	32.8	35.4	0.3
Farms by Geography	518	6.2	21.0	37.5	35.3	0.0
Family Distribution by Income Level	64,069	25.1	16.6	20.2	38.2	0.0
Household Distribution by Income Level	104,912	26.9	16.5	17.6	39.0	0.0
Median Family Income - Savannah, GA MSA		\$61,754	Median Housing Value			\$188,202
			Median Gross Rent			\$955
			Families Below Poverty Level			14.4%
<i>Source: 2015 ACS and 2020 D&B Data</i> <i>Due to rounding, totals may not equal 100.0 percent</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

The assessment area is highly competitive. According to the FDIC Deposit Market Share data as of June 30, 2021, 21 financial institutions operated 73 branches within the assessment area. Of these institutions, First-Citizens Bank ranked 15th with a market share of 0.8 percent. The top three competitors accounted for 60.8 percent of the market share.

There is a high level of competition for home mortgage loans among banks, credit unions, and non-depository mortgage lenders. Aggregate data for 2020 shows 451 lenders reported 13,792 residential mortgage loans. Overall, First-Citizens Bank ranked 67th with a market share of 0.2 percent. The top five home mortgage lenders accounted for 29.5 percent of total market share by number.

In addition, there is a high level of competition for small business loans within the assessment area. Aggregate data for 2020 shows 124 lenders reported 8,082 small business loans originated or purchased in the assessment area. Overall, First-Citizens Bank ranked 18th with a market share by number of 1.2 percent and 12th with a 2.2 percent market share by dollar volume. The top five small business lenders accounted for 48.5 percent of total market share by number.

Gainesville MSA Assessment Area

Demographic Information for the Gainesville MSA Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	36	5.6	19.4	41.7	33.3	0.0
Population by Geography	187,916	6.1	18.9	42.3	32.8	0.0
Housing Units by Geography	69,302	5.4	16.2	45.4	33.0	0.0
Owner-Occupied Units by Geography	41,434	1.2	12.4	44.6	41.8	0.0
Occupied Rental Units by Geography	20,558	13.1	25.1	43.7	18.1	0.0
Vacant Units by Geography	7,310	7.3	12.4	55.0	25.3	0.0
Businesses by Geography	18,032	9.2	16.3	41.7	32.8	0.0
Farms by Geography	579	3.6	15.7	43.4	37.3	0.0
Family Distribution by Income Level	45,810	20.6	18.0	20.3	41.0	0.0
Household Distribution by Income Level	61,992	22.5	17.0	18.8	41.7	0.0
Median Family Income - Gainesville, GA MSA	\$58,558	Median Housing Value				\$161,600
		Median Gross Rent				\$908
		Families Below Poverty Level				14.3%
<i>Source: 2015 ACS and 2020 D&B Data</i> <i>Due to rounding, totals may not equal 100.0 percent.</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

The assessment area is highly competitive. According to the FDIC Deposit Market Share data as of June 30, 2021, 15 financial institutions operated 41 branches within the assessment area. Of these institutions, First-Citizens Bank ranked 10th with a market share of 1.7 percent. The top three competitors accounted for 59.8 percent of the market share.

There is a high level of competition for home mortgage loans among banks, credit unions, and non-depository mortgage lenders. Aggregate data for 2020 shows 370 lenders reported 12,191 residential mortgage loans. Overall, First-Citizens Bank ranked 147th with a market share of 0.1 percent. The top five home mortgage lenders accounted for 28.4 percent of total market share by number.

In addition, there is a high level of competition for small business loans within the assessment area. Aggregate data for 2020 shows 97 lenders reported 5,018 small business loans originated or purchased in the assessment area. Overall, First-Citizens Bank ranked 18th with a market share by number of 1.0 percent and 10th with a 2.2 percent market share by dollar volume. The top five small business lenders accounted for 53.9 percent of total market share by number.

TEXAS

Dallas MSA Assessment Area

Demographic Information for the Dallas MSA Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	681	16.0	29.5	20.3	33.3	0.9
Population by Geography	3,347,218	14.4	30.5	21.4	33.4	0.2
Housing Units by Geography	1,285,142	15.0	27.9	22.1	34.6	0.4
Owner-Occupied Units by Geography	654,794	7.0	24.9	22.9	45.1	0.2
Occupied Rental Units by Geography	532,312	22.9	31.3	21.7	23.5	0.6
Vacant Units by Geography	98,036	25.9	29.2	18.7	25.6	0.5
Businesses by Geography	405,271	8.0	19.5	24.2	47.2	1.1
Farms by Geography	5,892	6.8	20.3	24.2	47.7	1.0
Family Distribution by Income Level	803,266	26.2	17.1	17.1	39.6	0.0
Household Distribution by Income Level	1,187,106	25.6	17.2	17.4	39.8	0.0
Median Family Income - Dallas-Plano-Irving, TX		\$71,149	Median Housing Value			\$189,670
			Median Gross Rent			\$990
			Families Below Poverty Level			13.0%
<i>Source: 2015 ACS and 2020 D&B Data Due to rounding, totals may not equal 100.0 percent. (*) The NA category consists of geographies that have not been assigned an income classification.</i>						

According to the FDIC Deposit Market Share data as of June 30, 2021, the bank ranked 25th with a market share of 0.3 percent. The top three competitors accounted for 67.6 percent of the market share.

For residential mortgage lending, the bank ranked 761st with a market share of less than 0.1 percent. Aggregate data for 2020 shows the top three mortgage lenders accounted for 15.1 percent of total market share by number.

With regard to competition for small business loans, the bank ranked 65th with a market share of 0.1 percent. Aggregate data for 2020 shows the top three small business lender accounted for 40.8 percent of total market share by number.

Houston Assessment Area

Demographic Information for the Houston MSA Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	862	17.3	30.0	22.4	29.5	0.8
Population by Geography	5,014,693	14.0	27.8	25.6	32.3	0.4
Housing Units by Geography	1,876,851	14.8	26.7	24.6	33.6	0.3
Owner-Occupied Units by Geography	985,907	6.4	22.7	27.4	43.4	0.1
Occupied Rental Units by Geography	719,809	23.9	31.3	22.0	22.1	0.7
Vacant Units by Geography	171,135	25.0	30.4	19.0	25.2	0.4
Businesses by Geography	497,652	10.9	18.6	21.3	48.9	0.2
Farms by Geography	6,449	6.9	16.3	24.8	51.9	0.1
Family Distribution by Income Level	1,195,439	25.7	16.4	16.9	41.1	0.0
Household Distribution by Income Level	1,705,716	25.6	16.2	16.8	41.4	0.0
Median Family Income - Houston-The Woodlands-Sugar Land, TX MSA		\$69,373	Median Housing Value			\$175,476
			Median Gross Rent			\$973
			Families Below Poverty Level			13.7%

Source: 2015 ACS and 2020 D&B Data
 Due to rounding, totals may not equal 100.0 percent.
 (*) The NA category consists of geographies that have not been assigned an income classification.

According to the FDIC Deposit Market Share data as of June 30, 2021, the bank ranked 61st with a market share of less than 0.1 percent. The top three competitors accounted for 67.6 percent of the market share.

For residential mortgage lending, the bank ranked 699th with a market share of less than 0.1 percent. Aggregate data for 2020 shows the top three mortgage lenders accounted for 16.1 percent of total market share by number.

With regard to competition for small business loans, the bank ranked 72nd with a market share of 0.1 percent. Aggregate data for 2020 shows the top three small business lender accounted for 38.9 percent of total market share by number.

ARIZONA

Tucson MSA Assessment Area

Demographic Information of the Tucson MSA Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	234	8.1	28.2	31.6	31.2	0.9
Population by Geography	967,509	9.4	27.5	30.7	31.9	0.5
Housing Units by Geography	433,375	9.1	27.4	31.4	32.1	0.1
Owner-Occupied Units by Geography	230,356	4.9	21.7	32.6	40.8	0.0
Occupied Rental Units by Geography	148,153	15.2	35.8	29.0	19.7	0.3
Vacant Units by Geography	54,866	10.4	28.2	32.3	29.0	0.1
Businesses by Geography	99,866	6.2	22.8	27.8	42.2	1.1
Farms by Geography	2,085	5.3	22.4	32.9	39.0	0.3
Family Distribution by Income Level	232,857	22.3	17.4	19.0	41.3	0.0
Household Distribution by Income Level	378,509	24.8	16.2	16.8	42.2	0.0
Median Family Income - Tucson, AZ MSA	\$57,457		Median Housing Value			\$173,186
			Median Gross Rent			\$842
			Families Below Poverty Level			13.4%
<i>Source: 2015 ACS and 2020 D&B Data</i> <i>Due to rounding, totals may not equal 100.0 percent.</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

The assessment area is highly competitive. According to the FDIC Deposit Market Share data as of June 30, 2021, 20 financial institutions operated 150 branches within the assessment area. Of these institutions, First-Citizens Bank ranked 18th with a market share of 0.1 percent. The top three competitors accounted for 70.1 percent of the market share.

There is a high level of competition for home mortgage loans among banks, credit unions, and non-depository mortgage lenders. Aggregate data for 2020 shows 657 lenders reported 102,768 residential mortgage loans. Overall, First-Citizens Bank ranked 299th with a market share of less than 0.1 percent. The top five home mortgage lenders accounted for 29.6 percent of total market share by number.

In addition, there is a high level of competition for small business loans within the assessment area. Aggregate data for 2020 shows 165 lenders reported 20,115 small business loans originated or purchased in the assessment area. Overall, First-Citizens Bank ranked 23rd with 0.4 percent market share by number of loans and 16th with a 1.5 percent market share by dollar volume. The top five small business lenders accounted for 56.4 percent of total market share by number.

WASHINGTON

Tacoma MSA Assessment Area

Demographic Information for the Tacoma MSA Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	172	5.2	22.1	47.1	25.0	0.6
Population by Geography	821,952	4.4	22.3	49.1	24.1	0.2
Housing Units by Geography	331,369	5.0	22.3	48.9	23.8	0.0
Owner-Occupied Units by Geography	185,160	1.4	16.6	51.2	30.7	0.0
Occupied Rental Units by Geography	118,426	10.2	29.8	46.2	13.8	0.0
Vacant Units by Geography	27,783	6.8	27.9	44.7	20.6	0.1
Businesses by Geography	68,335	5.6	19.5	47.4	27.6	0.0
Farms by Geography	1,452	3.0	19.3	50.3	27.5	0.0
Family Distribution by Income Level	202,396	20.2	18.0	21.5	40.2	0.0
Household Distribution by Income Level	303,586	22.3	16.9	19.8	40.9	0.0
Median Family Income - Tacoma-Lakewood, WA	\$71,304	Median Housing Value				\$232,856
		Median Gross Rent				\$1,052
		Families Below Poverty Level				8.9%
<i>Source: 2015 ACS and 2020 D&B Data Due to rounding, totals may not equal 100.0 percent. (*) The NA category consists of geographies that have not been assigned an income classification.</i>						

The assessment area is highly competitive. According to the FDIC Deposit Market Share data as of June 30, 2021, 24 financial institutions operated 147 branches within the assessment area. Of these institutions, First-Citizens Bank ranked 13th with a market share of 1.0 percent. The top three competitors accounted for 48.6 percent of the market share.

There is a high level of competition for home mortgage loans among banks, credit unions, and non-depository mortgage lenders. Aggregate data for 2020 shows 546 lenders reported 76,061 residential mortgage loans. Overall, First-Citizens Bank ranked 289th with a market share of less than 0.1 percent. The top five home mortgage lenders accounted for 24.0 percent of total market share by number.

In addition, there is a high level of competition for small business loans within the assessment area. Aggregate data for 2020 shows 122 lenders reported 16,128 small business loans originated or purchased in the assessment area. Overall, First-Citizens Bank ranked 18th with a market share by number of 1.2 percent and 8th with a 3.4 percent market share by dollar volume. The top five small business lenders accounted for 48.9 percent of total market share by number.

Olympia MSA Assessment Area

Demographic Information for the Olympia MSA Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	50	0.0	20.0	56.0	22.0	2.0
Population by Geography	262,723	0.0	20.9	57.3	21.9	0.0
Housing Units by Geography	110,904	0.0	21.1	57.2	21.8	0.0
Owner-Occupied Units by Geography	66,262	0.0	18.0	54.8	27.2	0.0
Occupied Rental Units by Geography	36,369	0.0	26.3	61.4	12.3	0.0
Vacant Units by Geography	8,273	0.0	22.3	57.4	20.4	0.0
Businesses by Geography	23,756	0.0	23.7	53.7	22.6	0.0
Farms by Geography	838	0.0	23.2	47.3	29.6	0.0
Family Distribution by Income Level	68,238	19.7	17.8	23.6	39.0	0.0
Household Distribution by Income Level	102,631	22.0	16.0	21.4	40.6	0.0
Median Family Income MSA - 36500 Olympia-Lacey-Tumwater, WA MSA	\$74,420	Median Housing Value				\$236,622
		Median Gross Rent				\$1,071
		Families Below Poverty Level				8.5%
<i>Source: 2015 ACS and 2020 D&B Data</i> <i>Due to rounding, totals may not equal 100.0 percent.</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

The assessment area is moderately competitive. According to the FDIC Deposit Market Share data as of June 30, 2021, 17 financial institutions operated 51 branches within the assessment area. Of these institutions, First-Citizens Bank ranked 11th with a market share of 3.0 percent. The top three competitors accounted for 39.0 percent of the market share.

There is a high level of competition for home mortgage loans among banks, credit unions, and non-depository mortgage lenders. Aggregate data for 2020 shows 426 lenders reported 23,829 residential mortgage loans. Overall, First-Citizens Bank ranked 200th with a market share of less than 0.1 percent. The top five home mortgage lenders accounted for 25.6 percent of total market share by number.

In addition, there is a high level of competition for small business loans within the assessment area. Aggregate data for 2020 shows 80 lenders reported 4,109 small business loans originated or purchased in the assessment area. Overall, First-Citizens Bank ranked 17th with a market share of 1.6 percent by number and 5th with a 5.8 percent market share by dollar volume. The top five small business lenders accounted for 46.8 percent of total market share by number.

COLORADO

Boulder MSA Assessment Area

Demographic Information for the Boulder MSA Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	68	7.4	20.6	44.1	27.9	0.0
Population by Geography	310,032	6.7	22.3	43.1	27.9	0.0
Housing Units by Geography	129,739	7.1	22.4	43.9	26.7	0.0
Owner-Occupied Units by Geography	76,163	3.0	18.0	45.6	33.3	0.0
Occupied Rental Units by Geography	46,353	13.9	29.9	39.7	16.5	0.0
Vacant Units by Geography	7,223	5.9	19.8	51.9	22.4	0.0
Businesses by Geography	59,207	3.8	28.1	38.8	29.4	0.0
Farms by Geography	1,361	4.3	24.2	41.5	29.9	0.0
Family Distribution by Income Level	72,418	22.3	17.0	19.9	40.8	0.0
Household Distribution by Income Level	122,516	26.0	15.4	15.8	42.8	0.0
Median Family Income - Boulder, CO MSA	\$96,926		Median Housing Value			\$398,953
			Median Gross Rent			\$1,225
			Families Below Poverty Level			6.4%
<i>Source: 2015 ACS and 2020 D&B Data Due to rounding, totals may not equal 100.0 percent. (*) The NA category consists of geographies that have not been assigned an income classification.</i>						

According to the FDIC Deposit Market Share data as of June 30, 2021, the bank ranked 27th with a market share of 0.2 percent. The top three competitors accounted for 53.8 percent of the market share.

For residential mortgage lending, the bank ranked 326th with a market share of less than 0.1 percent. Aggregate data for 2020 shows the top three home mortgage lenders accounted for 16.9 percent of total market share by number.

With regard to competition for small business loans, the bank ranked 32nd with a market share of 0.3 percent. Aggregate data for 2020 shows the top three small business lender accounted for 41.6 percent of total market share by number.

TENNESSEE

Chattanooga MSA Assessment Area

Demographic Information for the Chattanooga MSA Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	82	12.2	14.6	37.8	32.9	2.4
Population by Geography	348,121	8.8	13.5	35.9	41.8	0.0
Housing Units by Geography	153,730	9.4	14.7	37.4	38.6	0.0
Owner-Occupied Units by Geography	87,922	4.2	11.7	37.2	46.9	0.0
Occupied Rental Units by Geography	48,397	16.3	18.9	38.2	26.6	0.0
Vacant Units by Geography	17,411	16.0	17.9	36.0	30.1	0.0
Businesses by Geography	35,214	7.8	14.6	36.0	41.3	0.3
Farms by Geography	810	5.6	11.4	39.0	44.1	0.0
Family Distribution by Income Level	88,629	20.2	17.0	18.9	44.0	0.0
Household Distribution by Income Level	136,319	23.9	15.6	17.0	43.4	0.0
Median Family Income - Chattanooga, TN-GA MSA	\$58,694	Median Housing Value				\$159,123
		Median Gross Rent				\$769
		Families Below Poverty Level				11.3%
<i>Source: 2015 ACS and 2020 D&B Data Due to rounding, totals may not equal 100.0 percent. (*) The NA category consists of geographies that have not been assigned an income classification.</i>						

The assessment area is highly competitive. According to the FDIC Deposit Market Share data as of June 30, 2021, 19 financial institutions operated 100 branches within the assessment area. Of these institutions, First-Citizens Bank ranked 15th with a market share of 3.0 percent. The top three competitors accounted for 57.9 percent of the market share.

There is a high level of competition for home mortgage loans among banks, credit unions, and non-depository mortgage lenders. Aggregate data for 2020 shows 461 lenders reported 20,106 residential mortgage loans. Overall, First-Citizens Bank ranked 127th with a market share of 0.1 percent. The top five home mortgage lenders accounted for 23.7 percent of total market share by number.

In addition, there is a high level of competition for small business loans within the assessment area. Aggregate data for 2020 shows 112 lenders reported 9,332 small business loans originated or purchased in the assessment area. Overall, First-Citizens Bank ranked 22nd with a market share of 0.7 percent by number of loans and 12th with a market share of 1.6 percent by dollar volume. The top five small business lenders accounted for 54.9 percent of total market share by number.

Johnson City MSA Assessment Area

Demographic Information of the Assessment Area Johnson City MSA Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	23	0.0	17.4	47.8	30.4	4.3
Population by Geography	125,317	0.0	13.4	51.6	33.4	1.6
Housing Units by Geography	58,443	0.0	14.1	53.2	32.6	0.0
Owner-Occupied Units by Geography	34,833	0.0	8.4	55.1	36.5	0.0
Occupied Rental Units by Geography	17,805	0.0	24.9	47.6	27.5	0.0
Vacant Units by Geography	5,805	0.0	15.8	58.9	25.3	0.0
Businesses by Geography	8,649	0.0	14.5	39.3	45.8	0.4
Farms by Geography	289	0.0	8.3	56.4	35.3	0.0
Family Distribution by Income Level	33,217	19.1	15.0	21.5	44.4	0.0
Household Distribution by Income Level	52,638	23.3	14.2	16.7	45.9	0.0
Median Family Income - Johnson City, TN MSA	\$50,296	Median Housing Value			\$145,323	
			Median Gross Rent			\$689
			Families Below Poverty Level			12.3%
<i>Source: 2015 ACS and 2020 D&B Data</i> <i>Due to rounding, totals may not equal 100.0 percent.</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

The assessment area is moderately competitive. According to the FDIC Deposit Market Share data as of June 30, 2021, 17 financial institutions operated 38 branches within the assessment area. Of these institutions, First-Citizens Bank ranked 13th with a market share of 0.9 percent. The top three competitors accounted for 63.9 percent of the market share.

There is a high level of competition for home mortgage loans among banks, credit unions, and non-depository mortgage lenders. Aggregate data for 2020 shows 263 lenders reported 5,788 residential mortgage loans. Overall, First-Citizens Bank ranked 83rd with a market share of 0.1 percent. The top five home mortgage lenders accounted for 40.8 percent of total market share by number.

In addition, there is a high level of competition for small business loans within the assessment area. Aggregate data for 2020 shows 74 lenders reported 2,242 small business loans originated or purchased in the assessment area. Overall, First-Citizens Bank ranked 17th with a market share of 1.3 percent by number of loans and 12th with a market share of 1.9 percent by dollar volume. The top five small business lenders accounted for 63.9 percent of total market share by number.

WISCONSIN

Racine MSA Assessment Area

Demographic Information for the Racine MSA Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	45	6.7	20.0	46.7	20.0	6.7
Population by Geography	194,895	6.7	20.3	53.3	18.9	0.8
Housing Units by Geography	82,261	6.3	21.1	53.1	18.6	1.0
Owner-Occupied Units by Geography	52,516	2.7	16.1	57.4	23.6	0.2
Occupied Rental Units by Geography	22,667	12.0	29.9	47.2	8.5	2.4
Vacant Units by Geography	7,078	14.3	29.5	39.9	13.9	2.5
Businesses by Geography	9,855	5.2	18.6	53.5	19.6	3.0
Farms by Geography	409	2.0	7.1	54.5	36.4	0.0
Family Distribution by Income Level	50,245	20.0	17.8	21.9	40.3	0.0
Household Distribution by Income Level	75,183	23.4	15.6	19.5	41.4	0.0
Median Family Income Racine, WI MSA		\$68,728	Median Housing Value			\$161,164
			Median Gross Rent			\$795
			Families Below Poverty Level			9.2%
<i>Source: 2015 ACS and 2020 D&B Data Due to rounding, totals may not equal 100.0 percent. (*) The NA category consists of geographies that have not been assigned an income classification.</i>						

The assessment area is moderately competitive. According to the FDIC Deposit Market Share data as of June 30, 2021, 14 financial institutions operated 45 branches within the assessment area. Of these institutions, First-Citizens Bank ranked 14th with a market share of 0.6 percent. The top three competitors accounted for 61.7 percent of the market share.

There is a high level of competition for home mortgage loans among banks, credit unions, and non-depository mortgage lenders. Aggregate data for 2020 shows 315 lenders reported 11,510 residential mortgage loans. Overall, First-Citizens Bank ranked 97th with a market share of 0.1 percent. The top five home mortgage lenders accounted for 38.3 percent of total market share by number.

In addition, there is a high level of competition for small business loans within the assessment area. Aggregate data for 2020 shows 91 lenders reported 3,359 small business loans originated or purchased in the assessment area. Overall, First-Citizens Bank ranked 27th with a market share of 0.4 percent by number and 11th with a market share of 1.2 percent by dollar volume. The top five small business lenders accounted for 51.7 percent of total market share by number.

NEW MEXICO

Santa Fe MSA Assessment Area

Demographic Information for the Santa Fe MSA Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	50	2.0	20.0	46.0	32.0	0.0
Population by Geography	147,108	3.9	23.0	44.6	28.5	0.0
Housing Units by Geography	71,673	3.4	19.4	43.9	33.4	0.0
Owner-Occupied Units by Geography	42,266	2.6	17.4	45.8	34.2	0.0
Occupied Rental Units by Geography	18,913	6.5	26.1	42.4	25.0	0.0
Vacant Units by Geography	10,494	1.4	15.0	38.6	45.1	0.0
Businesses by Geography	16,444	4.5	14.1	39.4	42.0	0.0
Farms by Geography	420	2.9	17.9	44.0	35.2	0.0
Family Distribution by Income Level	36,482	22.8	16.9	18.3	42.0	0.0
Household Distribution by Income Level	61,179	24.6	15.6	17.9	41.9	0.0
Median Family Income - Santa Fe, NM MSA		\$64,734	Median Housing Value			\$316,063
			Median Gross Rent			\$976
			Families Below Poverty Level			11.0%
<i>Source: 2015 ACS and 2020 D&B Data Due to rounding, totals may not equal 100.0 percent. (*) The NA category consists of geographies that have not been assigned an income classification.</i>						

According to the FDIC Deposit Market Share data as of June 30, 2021, the bank ranked 8th with a market share of 1.9 percent. The top three competitors accounted for 51.5 percent of the market share.

With regard to competition for small business loans, the bank ranked 15th with a market share of 1.4 percent. Aggregate data for 2020 shows the top three small business lender accounted for 40.8 percent of total market share by number.

GLOSSARY

Aggregate Lending: The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

American Community Survey (ACS): A nationwide United States Census survey that produces demographic, social, housing, and economic estimates in the form of five year estimates based on population thresholds.

Area Median Income: The median family income for the MSA, if a person or geography is located in an MSA; or the statewide nonmetropolitan median family income, if a person or geography is located outside an MSA.

Assessment Area: A geographic area delineated by the bank under the requirements of the Community Reinvestment Act.

Census Tract: A small, relatively permanent statistical subdivision of a county or equivalent entity. The primary purpose of census tracts is to provide a stable set of geographic units for the presentation of statistical data. Census tracts generally have a population size between 1,200 and 8,000 people, with an optimum size of 4,000 people. Census tract boundaries generally follow visible and identifiable features, but they may follow nonvisible legal boundaries in some instances. State and county boundaries always are census tract boundaries.

Combined Statistical Area (CSA): A combination of several adjacent metropolitan statistical areas or micropolitan statistical areas or a mix of the two, which are linked by economic ties.

Community Development: For loans, investments, and services to qualify as community development activities, their primary purpose must:

- (1) Support affordable housing for low- and moderate-income individuals;
- (2) Target community services toward low- and moderate-income individuals;
- (3) Promote economic development by financing small businesses or farms; or
- (4) Provide activities that revitalize or stabilize low- and moderate-income geographies, designated disaster areas, or distressed or underserved nonmetropolitan middle-income geographies.

Community Development Corporation (CDC): A CDC allows banks and holding companies to make equity type of investments in community development projects. Bank CDCs can develop innovative debt instruments or provide near-equity investments tailored to the development needs of the community. Bank CDCs are also tailored to their financial and marketing needs. A CDC may purchase, own, rehabilitate, construct, manage, and sell real property. Also, it may make equity or debt investments in development projects and in local businesses. The CDC activities are expected to directly benefit low- and moderate-income groups, and the investment dollars should not represent an undue risk on the banking organization.

Community Development Financial Institutions (CDFIs): CDFIs are private intermediaries (either for profit or nonprofit) with community development as their primary mission. A CDFI facilitates the flow of lending and investment capital into distressed communities and to individuals who have been unable to take advantage of the services offered by traditional financial institutions. Some basic types of CDFIs include community development banks, community development loan funds, community development credit unions, micro enterprise funds, and community development venture capital funds.

A certified CDFI must meet eligibility requirements. These requirements include the following:

- Having a primary mission of promoting community development;
- Serving an investment area or target population;
- Providing development services;
- Maintaining accountability to residents of its investment area or targeted population through representation on its governing board of directors, or by other means;
- Not constituting an agency or instrumentality of the United States, of any state or political subdivision of a state.

Community Development Loan: A loan that:

- (1) Has as its primary purpose community development; and
- (2) Except in the case of a wholesale or limited purpose bank:
 - (i) Has not been reported or collected by the bank or an affiliate for consideration in the bank's assessment area as a home mortgage, small business, small farm, or consumer loan, unless it is a multifamily dwelling loan (as described in Appendix A to Part 203 of this title); and
 - (ii) Benefits the bank's assessment area(s) or a broader statewide or regional area including the bank's assessment area(s).

Community Development Service: A service that:

- (1) Has as its primary purpose community development;
- (2) Is related to the provision of financial services; and
- (3) Has not been considered in the evaluation of the bank's retail banking services under § 345.24(d).

Consumer Loan(s): A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories: motor vehicle loans, credit card loans, home equity loans, other secured consumer loans, and other unsecured consumer loans.

Core Based Statistical Area (CBSA): The county or counties or equivalent entities associated with at least one core (urbanized area or urban cluster) of at least 10,000 population, plus adjacent counties having a high degree of social and economic integration with the core as measured through commuting ties with the counties associated with the core. Metropolitan and Micropolitan Statistical Areas are the two categories of CBSAs.

Distressed Middle-Income Nonmetropolitan Geographies: A nonmetropolitan middle-income geography will be designated as distressed if it is in a county that meets one or more of the following triggers:

- (1) An unemployment rate of at least 1.5 times the national average;
- (2) A poverty rate of 20 percent or more; or
- (3) A population loss of 10 percent or more between the previous and most recent decennial census or a net migration loss of 5 percent or more over the 5-year period preceding the most recent census.

Family: Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family. Other family is further classified into “male householder” (a family with a male householder and no wife present) or “female householder” (a family with a female householder and no husband present).

FFIEC-Estimated Income Data: The Federal Financial Institutions Examination Council (FFIEC) issues annual estimates which update median family income from the metropolitan and nonmetropolitan areas. The FFIEC uses American Community Survey data and factors in information from other sources to arrive at an annual estimate that more closely reflects current economic conditions.

Full-Scope Review: A full-scope review is accomplished when examiners complete all applicable interagency examination procedures for an assessment area. Performance under applicable tests is analyzed considering performance context, quantitative factors (for example, geographic distribution, borrower profile, and total number and dollar amount of investments), and qualitative factors (for example, innovativeness, complexity, and responsiveness).

Geography: A census tract delineated by the United States Bureau of the Census in the most recent decennial census.

Home Mortgage Disclosure Act (HMDA): The statute that requires certain mortgage lenders that do business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applicants; the amount of loan requested; and the disposition of the application (approved, denied, and withdrawn).

Home Mortgage Loans: Includes closed-end mortgage loans or open-end line of credits as defined in the HMDA regulation that are not an excluded transaction per the HMDA regulation.

Housing Unit: Includes a house, an apartment, a mobile home, a group of rooms, or a single room that is occupied as separate living quarters.

Limited-Scope Review: A limited scope review is accomplished when examiners do not complete all applicable interagency examination procedures for an assessment area.

Performance under applicable tests is often analyzed using only quantitative factors (for example, geographic distribution, borrower profile, total number and dollar amount of investments, and branch distribution).

Low-Income: Individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent in the case of a geography.

Low Income Housing Tax Credit: The Low-Income Housing Tax Credit Program is a housing program contained within the Internal Revenue Code of 1986, as amended. It is administered by the U.S. Department of the Treasury and the Internal Revenue Service. The U.S. Treasury Department distributes low-income housing tax credits to housing credit agencies through the Internal Revenue Service. The housing agencies allocate tax credits on a competitive basis.

Developers who acquire, rehabilitate, or construct low-income rental housing may keep their tax credits. Or, they may sell them to corporations or investor groups, who, as owners of these properties, will be able to reduce their own federal tax payments. The credit can be claimed annually for ten consecutive years. For a project to be eligible, the developer must set aside a specific percentage of units for occupancy by low-income residents. The set-aside requirement remains throughout the compliance period, usually 30 years.

Market Share: The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

Median Income: The median income divides the income distribution into two equal parts, one having incomes above the median and other having incomes below the median.

Metropolitan Division (MD): A county or group of counties within a CBSA that contain(s) an urbanized area with a population of at least 2.5 million. A MD is one or more main/secondary counties representing an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

Metropolitan Statistical Area (MSA): CBSA associated with at least one urbanized area having a population of at least 50,000. The MSA comprises the central county or counties or equivalent entities containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county or counties as measured through commuting.

Micropolitan Statistical Area: CBSA associated with at least one urbanized area having a population of at least 10,000, but less than 50,000.

Middle-Income: Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 and less than 120 percent in the case of a geography.

Moderate-Income: Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 and less than 80 percent in the case of a geography.

Multi-family: Refers to a residential structure that contains five or more units.

Nonmetropolitan Area (also known as non-MSA): All areas outside of metropolitan areas. The definition of nonmetropolitan area is not consistent with the definition of rural areas. Urban and rural classifications cut across the other hierarchies. For example, there is generally urban and rural territory within metropolitan and nonmetropolitan areas.

Owner-Occupied Units: Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

Qualified Investment: A lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

Rated Area: A rated area is a state or multistate metropolitan area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multistate metropolitan area, the institution will receive a rating for the multistate metropolitan area.

Rural Area: Territories, populations, and housing units that are not classified as urban.

Small Business Investment Company (SBIC): SBICs are privately-owned investment companies which are licensed and regulated by the Small Business Administration (SBA). SBICs provide long-term loans and/or venture capital to small firms. Because money for venture or risk investments is difficult for small firms to obtain, SBA provides assistance to SBICs to stimulate and supplement the flow of private equity and long-term loan funds to small companies. Venture capitalists participate in the SBIC program to supplement their own private capital with funds borrowed at favorable rates through SBA's guarantee of SBIC debentures. These SBIC debentures are then sold to private investors. An SBIC's success is linked to the growth and profitability of the companies that it finances. Therefore, some SBICs primarily assist businesses with significant growth potential, such as new firms in innovative industries. SBICs finance small firms by providing straight loans and/or equity-type investments. This kind of financing gives them partial ownership of those businesses and the possibility of sharing in the companies' profits as they grow and prosper.

Small Business Loan: A loan included in "loans to small businesses" as defined in the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$1 million or less and are either secured by nonfarm nonresidential properties or are classified as commercial and industrial loans.

Small Farm Loan: A loan included in “loans to small farms” as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$500,000 or less and are either secured by farmland, including farm residential and other improvements, or are classified as loans to finance agricultural production and other loans to farmers.

Underserved Middle-Income Nonmetropolitan Geographies: A nonmetropolitan middle-income geography will be designated as underserved if it meets criteria for population size, density, and dispersion indicating the area’s population is sufficiently small, thin, and distant from a population center that the tract is likely to have difficulty financing the fixed costs of meeting essential community needs.

Upper-Income: Individual income that is 120 percent or more of the area median income, or a median family income that is 120 percent or more in the case of a geography.

Urban Area: All territories, populations, and housing units in urbanized areas and in places of 2,500 or more persons outside urbanized areas. More specifically, “urban” consists of territory, persons, and housing units in places of 2,500 or more persons incorporated as cities, villages, boroughs (except in Alaska and New York), and towns (except in the New England states, New York, and Wisconsin).

“Urban” excludes the rural portions of “extended cities”; census designated place of 2,500 or more persons; and other territory, incorporated or unincorporated, including in urbanized areas.